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THURSDAY, MAY 15, 1952

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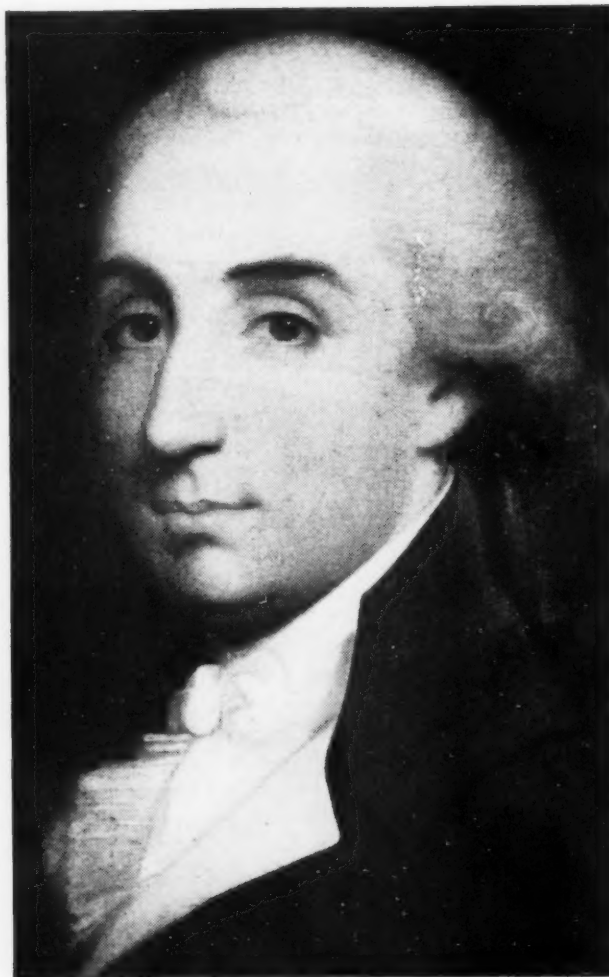
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Avoid Clubbiness in Rating Bureau, Maloney Warns

Vehicle Must Serve
Reasonable Needs of
Minority, Cal. Official Says

Commissioner Maloney of California in addressing the annual meeting of Pacific Board at Santa Barbara asserted that the rating bureau must be an instrumentality of all of its members for accomplishing joint rate making within the law and it must serve the reasonable rating needs of not only the majority but also the minority of its members. Especially did he say that the rating bureau should not be used to restrain its members in respect to the kinds of coverage they may underwrite or the circumstances or conditions under which they may write them. This is especially important in California where under the law the rates and rules of the rating organization are advisory only.

The test must be whether it is possible to rate a coverage and not whether it is good or bad for those who are guiding the destinies of the bureau to write or even for others to underwrite. Mr. Maloney said that Attorney General Brown of California is keeping a watchful eye on the performance of the insurance business under the California rate regulatory act. Accordingly, every effort should be made to bring about the realization of maximum service by the bureau in meeting the rating needs of all members companies whose creature it is and keep "consequential restraints to an absolute minimum."

Cartwright Act Is Tough

Mr. Maloney said that the California anti-trust law known as the Cartwright act, is "a pretty tough law." He said some insurers may be overlooking the fact that the rating law is not a blanket legitimization of any and all rate making in concert nor is it a blanket umbrella against the applicability of the state anti-trust law. To be exempt from the latter, the action or agreement must be "pursuant to the authority conferred" by the statute. Thus action in concert through a licensed rating bureau which results in a rate or rating system that violates the applicable rating standards is not exempt from the anti-trust law. The concerted activity must be pursuant to the authority of the rating law itself.

The authority for two or more insurers to act in concert in the making of rates, rating systems, underwriting rules, etc., is strictly limited, he said, to compliance with the provisions of the rating law relating to rating bureaus, advisory organizations, joint underwriting and joint reinsurance groups. Action in concert in the making use of rates which is not of this kind is outside the rating law and is not exempt from the anti-trust laws.

Rating Bureau Purification

Except where joint underwriting is involved the rating bureau is the vehicle through which joint price determination which would otherwise be illegal may be done lawfully. It is conferred with a privilege denied others but with the privilege, he said, is a tremendous re-

(CONTINUED ON PAGE 35)

Rothschild Takes Over as New Chief of Alabama Agents

Wilson Is Now V.-P.;
Condemn Unilateral
Commission Action

M. J. Rothschild of Montgomery was elected president of Alabama Assn. of Insurance Agents at its annual convention at Birmingham. He replaces Chris B. Heinz of Selma. Registration totaled 320.

John P. Wilson of Mobile moves up to vice-president and John S. Scott, Huntsville, becomes chairman of the executive committee. W. O. Thomas, Birmingham, was reelected state national director, and H. D. Snapp, Jr., continues as secretary-treasurer.

A resolution was adopted condemning the practice of changing the terms of contracts between company and agent without first consulting the agent. Other resolutions increased from one to three years the term of the state national director, thanked Alabama Field Men's Assn. for cooperation in planning and conducting discussion panels at regional meetings and praised Commissioner H. H. Longshore for his practice of holding conferences with local agent groups.

Discusses Mail Selling

The opening speaker, J. G. Romans, assistant manager of marine department of Royal-Liverpool, outlined a long-term mail-selling program, emphasizing that several months of actual direct mail sales effort is needed to develop satisfactory results. He reviewed mail-selling methods in connection with contractors' equipment, ocean cargo and transportation floaters and gave a detailed explanation of these policies.

William E. Booth, secretary of Cherokee of Nashville, urged that the agents spread the story of the many public services they and their companies perform. He advised the agents to remind clients that along with the rapid increase in the price of all commodities over the last 10 years the average fire insurance rate has been reduced 40%.

A review of trends in contract bond underwriting since the end of the war was given by N. P. Gardner, Jr., surety manager of National Surety. He showed how engineering, technical and administrative services of surety companies represent safeguards for the contractor and obligee.

The past presidents' dinner, presided over by Mr. Thomas, was addressed by Dr. James L. Brakefield, public relations director of Liberty National Life.

Other Speakers

The second day's speakers were Harold K. Phillips, director of public relations, Assn. of Casualty & Surety Companies; Don C. Hawkins, assistant secretary of St. Paul F. & M.; H. James Doolittle, engineering consultant of Aetna Fire; George B. Raine, General Adjustment Bureau, Atlanta; Edwin Nash, Georgia state agent for Loyalty group, and Harold R. Danford, executive

(CONTINUED ON PAGE 35)



C. B. Heinz

La. Agents Elect Herring President

Urge Companies Consider
Effect on Agents of
Change in Term Rule

Louisiana Assn. of Insurance Agents at their annual meeting last week at Edgewater Park, Miss., adopted a resolution urging the companies to "consider seriously" the effect of changes in the term rule.

The agents based their resolution on reports they have heard that the term rule is undergoing change, and said that "the result of such a change as has come to our attention can only result in a change of a large number of term policies to an annual basis, and the conversion to an annual basis would require the agents to issue a larger number of policies with considerably increased cost to the agent and a reduction in his premium volume." This change, the agents maintain, apparently will have as its only effect "an increased cost to the agents without a compensating gain to either the public or the companies."

E. A. Herring Is President

Emmett A. Herring of Hammond was elected the new president to succeed B. H. Talbot, Jr., New Orleans. Roscoe A. Bolton, Alexandria, is vice-president and Gibson Stevenson, Houma, is secretary-treasurer. E. J. Seymour of Monroe was reelected state national director.

Newly elected directors are Harold A. Mouk, Monroe; Gary E. Gillis, Jr., New Orleans; S. Alvin Leopold, Bastrop; B. H. Talbot, Jr., New Orleans; John Peabody, Shreveport; Felix Aucoin, Vacherie, and W. D. White, Bossier City.

In other resolutions, the association commended Louisiana insurance rating commission for disapproving the multiple location rating plans of Multiple Location Service Office and the independent company group.

There were words of praise also for the public relations activities of Louisiana Field Men's Assn. Legislation was urged that would require a physical and mental examination of prospective truck and bus drivers.

The meeting got under way with warm spring weather prevailing. At the first session there was a showing of the Western Underwriters Assn. movie, "Introducing the Policymen," with comment by Parker Wiggins, Springfield F. & M., on behalf of Louisiana Field Men's Assn.

Van Vechten Is Heard

President B. H. Talbot, Jr., gave his report to open the meeting the second day, and there were reports from the committee chairmen. This was the main business session at which the new officers were elected. The address at this meeting was given by James F. Van Vechten, president of the National association who urged the passage in Louisiana of the safety security type financial responsibility law, commenting on the failure of the compulsory law in Massachusetts.

Mr. Van Vechten said the idea of a merit rating plan as a psychological measure to reduce accident frequency does not seem feasible in that either the rates must be increased or the drivers involved in accidents must pay about an 80% increased premium. He suggested instead that agents make use of the assigned risk plan and particularly go all-out to provide coverage for men in the armed services.

Talks at the final meeting were given

(CONTINUED ON PAGE 35)

E. L. Lane Elected as New President of Iowa Association

Resolutions Urge Caution
in Increasing Auto Rates,
Oppose Compulsory

DES MOINES—At the annual meeting here of Iowa Assn. of Insurance Agents, Ed L. Lane of Independence was advanced to president, succeeding Fred W. Tesmer of Waterloo. Paul H. Cheyney of Glenwood, a member of the executive committee, was named vice-president to succeed Mr. Lane.

Robert D. Cline of Des Moines was reelected treasurer and William C. Brunk of Ottumwa, a past president, was named state national director. Rob-



W. C. Brunk



Fred W. Tesmer

ert A. Brown of Waterloo and J. Watt Wooldridge of Sioux City were renamed members of the executive committee and Charles Smith of Des Moines was named as a new member to succeed Mr. Cheyney.

The new president has operated his agency at Independence since 1939, with his wife and daughter serving as partners in the operation. He is a former school teacher.

Base Raises Solely on Experience

A resolution urging caution in increasing auto rates in Iowa was adopted. It implied that not sufficient time had elapsed since the last increase to determine its effect on the loss experience.

The resolution said the Iowa commissioner had recently announced that casualty companies are contemplating an increase in B.I. and P.D. rates. It pointed out that rates had been increased materially in September, 1951, and again in February, 1952. The association requested that the commissioner "give careful study to such proposed requests for rate increases and to grant same only where he finds they may be justified by actual loss experience."

Another resolution strongly opposed compulsory automobile insurance and urged adoption of more strict driver license requirements; regular inspection of all motor vehicles; driver education courses in all high schools; furtherance of adult driver education programs; strict enforcement of all motor vehicle laws; modernization of the highways and continued enforcement of the state's safety responsibility law.

The association went on record as favoring a change in the state law to permit the optional use of surety bid bonds by contractors bidding on public

(CONTINUED ON PAGE 35)

Texas Licensing Setbacks Reviewed by Travis Bailey

Agents Association Head Sees Eventual Victory But Long, Costly Fight

Recent licensing law developments in Texas have adversely affected the position of the established local agent but these problems eventually will be solved, according to Travis D. Bailey of San Antonio, who gave his presidential message at the convention of Texas Assn. of Insurance Agents at Dallas.

The most discouraging blow, he said, was the verdict of the district court at Lufkin requiring the department to issue a license to a Pontiac dealer at Lufkin.

The plea of intervention in this case by Texas Assn. of Insurance Agents was denied, Mr. Bailey said. It was thrown out of the case on the ground that it was not a party of interest. However, the attorneys for the association, Senator R. A. Weinert of Seguin and R. C. Musslewhite of Lufkin were permitted to participate in the trial.

The Pontiac dealer testified that he



Travis D. Bailey

intends to be actively engaged in soliciting insurance from the public generally in good faith, that he does not intend to evade the laws against rebating and discrimination, that he will not coerce business and that the license is not sought to enable him to write business which he controls through ownership, mortgage or sale.

Strategy Is Analyzed

His attorneys presented a motion asking the court to render a verdict in favor of the dealer on the basis that the only factual issue to be determined was that the dealer was of good reputation and character, that all other issues were anticipatory and that it must be presumed that the dealer intends to obey the law. The court granted this motion and rendered a verdict in the dealer's favor.

It was obvious, Mr. Bailey said, that attorneys for the dealer did not want the jury to pass upon whether the applicant intends actively to engage in the insurance business, but instead the attorneys "were striking at the very heart of our licensing law and seeking to establish by court decree that the only requirements for an agent's license are good reputation and character." Attorneys for the dealer argued that any other construction of the law would enable the board to keep deserving agents out of the business. Such a conclusion is shocking, he said. Pursuant to this theory monopoly would be permitted to grow unretarded. "What chance would the small independent insurance agent have against this vast power of coercion and control?" he asked.

However, Mr. Bailey said the agents have simply lost the first round in this fight. It is going to be a long, hard and expensive fight. Victory in the courts is not certain and probably there will have to be a revision in the laws, he went on. Nevertheless, Mr. Bailey said that the agents in Texas are better off than those in most other states.

In many states the laws are not even

New officers of the Louisiana Assn. of Insurance Agents pictured at the annual meeting at Edgewater Park, Miss., from the left: Roscoe A. Bolton, Alexandria, vice-president; Emmett A. Herring, Hammond, president, and Gibson Stevenson, Houma, secretary-treasurer.



strong enough to justify the commissioners denying the application of these auto dealers. At least the Texas laws have been adequate to that extent all these years, he declared.

In Ohio, he pointed out, the commissioner licensed the dealers for a few years and when he concluded that they were writing insurance principally on the cars that they sold, he declined to renew their licenses. He has been upheld on this by the courts. This procedure is available in Texas but, Mr. Bailey said, "we want to stop this vicious movement before it gets started. So if we don't win in the courts, you can expect a real and genuine effort to get relief in the legislature."

Still unresolved, he said, is the problem created by the fact that automobile dealers are signing automobile policies as "deputy attorneys-in-fact" for Lloyds organizations. In this guise they do not take an examination for license nor do any of them become licensed. The Texas agents' association believes that this is due to an incorrect interpretation of the statute that provides that the actual attorneys-in-fact for Lloyds shall not be required to obtain a license. The association insists that these "deputy-dealers" are not actual attorneys-in-fact as contemplated by the law.

The issue will certainly wind up in the courts and probably there will be legislation offered at the next session. Mr. Bailey expressed confidence that a solution to this problem will be found.

Ky. E. C. and Fire Rate Cut \$1,200,000

Fire and E. C. rate reductions that Insurance Commissioner Southall of Kentucky estimates produce premium reduction of \$1,200,000 became effective in that state Monday. There are reductions in the E. C. rates on dwellings, mercantiles and farm buildings that are estimated to produce total premium reduction of \$773,000. The E. C. rate on dwellings is reduced from 16 cents to 13 cents. There is a 12½% E. C. rate reduction on mercantiles and on farm properties the reduction is four cents. The rate, for instance, on farm dwellings is now 30 cents instead of 34.

Then there are rate reductions on whisky warehouses, both sprinkled and unsprinkled, and on sprinkled hoghead tobacco storage warehouses which are estimated to produce \$360,000 in premiums. The whisky warehouse rate reductions average about 12½% and tobacco warehouses average about 7%.

Robertson Elected Chief of Nebraska Mutual Agents

Joseph Robertson of Scottsbluff was elected president of Nebraska Assn. of Mutual Insurance Agents at its annual meeting at Omaha. Edward Larsen, Omaha, was named 1st vice-president; Lyle Weidman, McCook, 2nd vice-president, and Paul Colburn, Seward, secretary.

Eugene Brooks Is Elevated

Eugene H. Brooks, who has been a field supervisor at the home office since 1950, has now been elected assistant secretary of American. He graduated at Duke and went with American in 1928. He saw field service in North Carolina and West Virginia and in Georgia for 12 years.

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Reinsurance Company, Salamandra, Ltd., Copenhagen, Denmark. (Est. 1918)	Lloyd Marocain d'Assurances. (Est. 1940)
(Reinsured 71.429% by The Swedish Reinsurance Company, Aequitas, Ltd., Malmo, Sweden) (Est. 1944)	Compagnie Africaine d'Assurances. (Est. 1950)
The Private Insurers Ltd., Copenhagen, Denmark. (Est. 1786)	The Seven Provinces Insurance Co., Ltd., The Hague, Holland. (Est. 1918)
The Copenhagen Marine Insurance Association, Ltd., Copenhagen, Denmark. (Est. 1852)	The New First Netherlands Insurance Co., Ltd., The Hague, Holland. (Est. 1925)
Reinsurance Company, Russia, Ltd., Copenhagen, Denmark. (Est. 1918)	Vanguard Insurance Company, Limited, Sydney, Australia. (Est. 1951)
The Norrland Insurance Company, Ltd., Stockholm, Sweden. (Est. 1889)	Eagle Insurance Co., Ltd., Paris, France. (Est. 1921)
	Sun Insurance Co., Ltd., Paris, France. (Est. 1865)

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Tussle With N. C. Package Policy Rating Questions

RALEIGH—After a 2½ day conference here on how package rating proposals should be routed on their way to the commissioner for consideration, company and bureau representatives have come up with suggested regulations for rating multiple line coverages which Commissioner Cheek labeled "a big step forward."

The debate hinged on whether the multiple line policies should be handled solely through existing bureaus or might also be filed independently or through a new bureau such as Multiple Peril Insurance Rating Organization. Mr. Cheek said it was his idea "to try to go as far as we can through the existing bureaus without closing the door to new organizations."

The hearing was the second the commissioner has held in his efforts to arrive at rules for rating new type package policies. A third and final one is still to be held. Mr. Cheek said he plans to take the suggestions made at this conference, combine them with proposals developed within his department and produce a set of tentative regulations. These will be submitted to the companies and bureaus for consideration and then the final hearing will be scheduled. The commissioner said he hopes to have workable regulations in force by mid-summer.

Suggested Rules Are Given

There was general agreement at the conference, although some representatives expressed some reservations, on the following statement and suggested rules:

"The function of a bureau or rating organization within the scope of its jurisdiction . . . and acting subject to the approval of the commissioner is to establish and maintain rating schedules, rating methods, classifications, forms and rates which shall be in conformity with the statutes with respect to adequacy, reasonableness and discrimination; provided, however, each bureau shall, within the scope of its jurisdiction, make its rating services available to any member requesting a rate for any form which has been approved for such member by the commissioner in accordance with the laws.

"In addition to the above functions, in order to facilitate the handling of filings of combinations of perils, rating methods, classifications, forms and rates, the general aim is to project into the multiple line field the same general scope of bureau's jurisdiction as heretofore developed. To provide for the development of policies or endorsements which extend beyond the scope of a bureau's jurisdiction, the following rules shall be followed by each bureau so as to provide cooperative action:

Bureau Path Prescribed

"1. Members or subscribers of a bureau or rating organization shall submit any proposed coverage that falls in whole or in part within the jurisdiction of the rating organization to the rating organization for action.

"2. Within 30 days of receipt of such submission, the rating organization after consultation with other rating organizations which have jurisdiction over parts of the coverage or other policies on which the coverage is to be endorsed shall:

"a. Notify the submitting company that, in collaboration with other rating organizations which have jurisdiction over parts of the coverage or over the policies on which the coverage is to be endorsed, the collaborating organizations are undertaking the preparation of such forms, rules and rates as may be necessary; or

"b. If it can waive jurisdiction, notify the submitting company that it waives jurisdiction, giving reasons; or

"c. Notify the submitting company that it rejects the filing, giving reasons,

and advising the submitting company of its rights of appeal.

"3. The expiration of 90 days following the receipt by the rating organization of a proposed filing, without a filing with the commissioner by the rating organization, may, at the option of the applicant, be treated as a rejection of the filing; provided that the commissioner may, in his discretion, extend the time for further consideration by the rating organization upon request in writing for such extension, a copy of which shall be mailed by the rating organization at least 10 days before the expiration of the 90-day period.

"4. All rating organizations shall provide appropriate means for collaborating with other rating organizations in connection with coverages involving the jurisdictions of more than one rating organization and with submitting companies which are independent with respect to parts of such coverages.

"5. The rating organizations shall prepare recommended statistical plans, or amendments to existing statistical plans, for submission to the commissioner.

"6. The rating organizations collaborating in the joint processing of proposed coverages shall retain their respective jurisdictions in subsequent revisions."

Case & Son Honored for 70 Years as Agents of Royal

The Case & Son agency at Marion, Kan., was honored by a dinner in recognition of its 70th anniversary of continuous representation of Royal. Established in 1868, the agency began representation of Royal in 1882.

Representing Royal at the dinner, at which Alex Case, now head of the agency established by his grandfather, was presented an electric clock and barometer, were J. A. Bossett, regional manager, Kansas City, Mo., and C. J. Wintroll, state agent, Wichita. A special message from E. R. Voorhis, assistant U. S. manager, was read.

Alex Case and his late father, Rosse Case, both have been well known as among the leading farm writing agents of the nation, and both served as president of Kansas Assn. of Insurance Agents. The agency has always been one of the leaders in fire prevention activities in the midwest.

Also attending the dinner were all members of the agency and their wives or husbands, including Rosse B. Case, son of Alex, the fourth generation to be associated with the agency.

Elgin (Ill.) Assn. of Insurance Agents has presented a resuscitator-inhalator to the city's fire department.

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Crop-Hail Showing

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Crop-Hail Premiums Showing Big Gains

Writings, at 25% Mark, Are Far Ahead—Expect Total of \$40 Million

Prospects for a 10 to 20% increase in crop-hail premiums this year seem excellent on the basis of early writings, which are running about double those of the same time a year ago. The hail people feel that the premium for 1952 may total about \$40 million and approach the peak writings of several years ago.

The growing season has begun earlier this year than it did in 1951, and the wheat crop prospect is better than it has been in several years. The government is estimating that the 1952 wheat crop will be the third best in history, and growing conditions for other crops are excellent.

So far, premiums are running ahead in all territories. There is a good deal of coverage on wheat, cotton and tobacco. In Texas, where premiums have been on the decline for two years, there is an increase this year. The wheat crop is better but still is not up to par owing to a dry fall and winter. The cotton crop, however, is good. In Kansas the wheat crop is good and premiums are up.

The writings are about 20 to 25% along, and the season has progressed enough for losses to be reported. The only one of any consequence so far is on lettuce and truck crops in Arizona.

New Form in North Dakota

The latest development, and one that is being watched with interest by the hail people, is the introduction in North Dakota this year of a crop-hail and fire combination policy. This is an outgrowth of the broad coverage tobacco policy that was introduced last year in North Carolina.

The North Carolina form was introduced by Rain & Hail Bureau, the hail department of Aetna, Springfield F. & M. and North America. It covers tobacco only and while the crop is in the field provides hail, wind when accompanied by hail, fire, lightning, livestock and aircraft. In the curing and packing barn, there is protection under the standard fire and extended coverage perils. The policy covers from the field until the tobacco is delivered to the warehouse floor.

Is Crop-Hail Assn. Form

There was good experience on this policy last year, although the premium volume was small. Rain & Hail Bureau turned the form over to Crop-Hail Insurance Actuarial Assn. for development, and this organization recommended the introduction in North Dakota of the fire and hail combination, which provides coverage on all crops. An additional feature is indemnity for added harvesting cost where a loss runs 70% or more. The policy provides, up to specified limits, reimbursement for the additional harvesting cost the farmer must bear when his crop is heavily damaged by fire or hail.

The hail companies for five years have had a profit, and this may be a record for what is regarded as a "feast or famine" business. One of the reasons for this better showing is the expansion of the hail business to all parts of the country. For many years the great bulk of the business was done in the breadbasket states along the Mississippi river, but the companies have now obtained a spread of business across the country. There has been much pioneer work in such states as Indiana, Ohio, New York, Pennsylvania, Arizona and California, and premiums in those states have increased tremendously in the last 10 years.

In Washington and Oregon, for instance, since 1940 there have been five

new companies or company groups enter the territory, which once was almost the private domain of Home and Rain & Hail Bureau.

Va. Fines Resolute \$2,500

Resolute was fined \$2,500 by the Virginia corporation commission for selling policies through unlicensed agents in several Virginia localities. J. S. McEachern of Richmond, special agent for the company, was fined \$500 and his license was revoked for 60 days on the same charge. Both the company and

McEachern paid the fines.

Commissioner Bowles said investigation showed that five persons had been selling insurance for Resolute in Virginia without license. Both McEachern and the company admitted the irregularities, Bowles said, but denied any deliberate attempt to circumvent the state's insurance laws.

Put Off Code Violation Hearing

RICHMOND, VA.—A Virginia corporation commission hearing on charges that Firemen's Mutual of Providence,

R. I., has violated a state insurance law has been postponed until June 10.

The commission's insurance bureau has charged that the company illegally issued \$1,800,000 fire coverage on public housing units in Norfolk.

Deputy Commissioner Harris in a letter to the company noted that the coverage was on properties without sprinkler systems, although Firemen's is not a member of Virginia Insurance Rating Bureau. Under state law, companies must be members of the bureau in order to insure property without sprinklers.

Our May national advertising calls attention to increased values and the need of more insurance to cover them.

Another testimonial ad features favorable and unsolicited comment from the medical profession on the calibre of America Fore insurance and service.



"MAÑANA"

Procrastination—"let's put it off until tomorrow"—is a dangerous habit, particularly when your insurance is involved.

Tomorrow may be too late!—So if you have not checked your insurance lately, to make sure it covers today's inflated values, don't wait another moment!

Call an America Fore insurance man today. He can tell you what coverage you need for proper protection against loss.



name of a nearby America Fore claims office, call Western Claims Operator 25.

Doctors LIKE AMERICA FORE INSURANCE!

...These excerpts from a few of the many unsolicited letters we receive tell you why:



HANDLED LAWSUIT EFFICIENTLY

"Please accept our sincere thanks for the courteous and efficient manner in which your firm handled the lawsuit and insurance in the case of ... It is indeed a pleasure to do business with a firm such as yours, and to know that in case of trouble our interests will be protected."

Physician—Minnesota



AUTO DAMAGE CLAIM SETTLED IN 24 HOURS

"I thought you would be interested to know that the insurance company settled the claim for the damage to my car, in the amount of about \$60.00 within 24 hours of the submission of the bill. The car was picked up and repaired, taken away and returned and brought back again so that it caused me no inconvenience."

Physician—San Francisco, Calif.

50 YEARS OF GOOD INSURANCE SERVICE!

"I am glad to tell you for your letter of January 3 regarding the ... our association with your company. When I first joined in 1902 the policy was in force and I have never had any trouble. We have that ... another 50 years or more."

Client Official

protection and service by ... man in your locality. ... for Operator 25.

During May, this advertising will appear in The Saturday Evening Post, Collier's, Time and Newsweek.

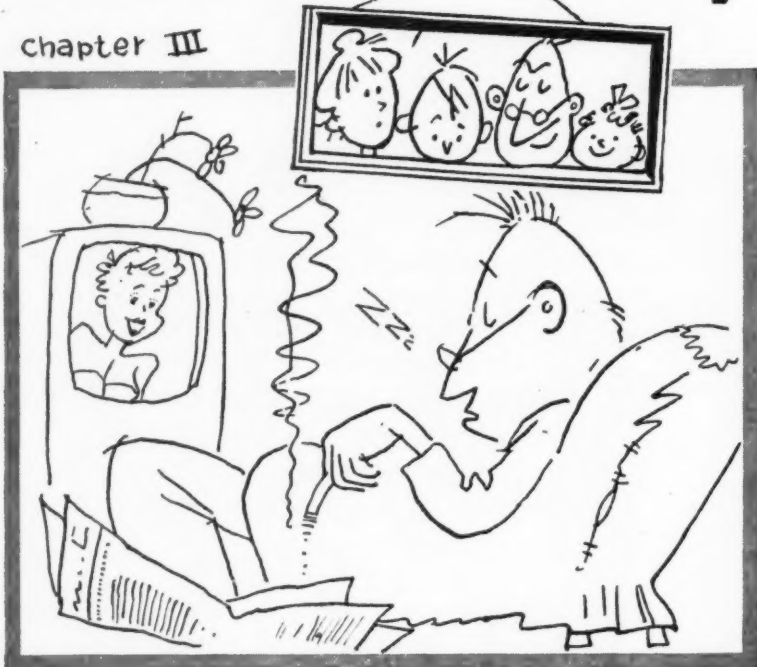
Tie-in posters, direct mail and newspaper mats will help America Fore agents capitalize on this advertising at the local level.

America Fore Insured is Well Insured

America Fore
INSURANCE GROUP

the sad story of the CARELESS family

chapter III



The next scene is sure to have plenty of firemen in it! Carelessness with matches and lighted cigarettes caused 91,000 fires in 1950 alone. Serve your assured and your community. Teach fire prevention constantly.



THE London & Lancashire GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

More Customers Every Day!

As more and more A. F. of L. members buy stock in the I.C.T. Group, the Labor-owned member companies pick up millions of potential customers ready to put their insurance in their own old line legal reserve capital stock companies.

The I.C.T. Group

SUPPORTING THE AMERICAN AGENCY SYSTEM

THE INSURANCE COMPANY OF TEXAS
LIFE INSURANCE COMPANY OF TEXAS
CONTINENTAL FIRE & CASUALTY INSURANCE CORP.

HOME OFFICE—DALLAS, TEXAS

Owned by Members of the A. F. of L.

Allan Retiring, Northern Names Alverson at S. F.

Clarence E. Allan, Pacific Coast manager of Northern of London, is retiring June 1 and will be succeeded by Peyton Y. Alverson, who is assistant U. S. manager of New Zealand group.

Mr. Allan started in insurance in 1907 with the J. B. F. Davis & Son brokerage firm which later merged with Marsh & McLennan. Subsequently he went with Liverpool & London & Globe.

In 1911 he joined William Maris, who was a leading adjuster at San Francisco, and when Pacific Coast Adjustment Bureau was formed in 1914 he became the first staff adjuster and subsequently was assistant manager. When the bureau was reorganized Mr. Allan was made general manager.

In 1919 he became Pacific Coast manager for America Fore group, resigning in 1922 to become Pacific Coast manager of Liverpool & London & Globe. The entire time he was with L. & L. & G., he was president of Pacific Coast Adjustment Bureau. Mr. Allan was at San Francisco when the \$7½ million Union Oil fire occurred in southern California and was one of the committee of three that went to adjust that loss. He continued to adjust large losses in the Pacific Coast field until he became Pacific Coast manager for Northern of London.

For 27 years Mr. Allan was executive committee member of the National Board for the Pacific Coast. He is a past president of Fire Underwriters Assn. of the Pacific and of the Pacific Board, and is vice-president of the executive committee of National Automobile Club.

Mr. Alverson started in insurance with Commercial Union after graduating from the University of California. Later he was with the Harris & Spear general agency. In 1929 he joined Northern of London as special agent, becoming metropolitan department manager in 1935. After organizing and managing a fire department for the A. B. Knowles organization, Mr. Alverson joined New Zealand group, first as secretary, later as U. S. assistant manager.



P. Y. Alverson

going into all sorts of things having to do with forms, accounting procedures, electronic development, punch card machines, etc.

Among the speakers at the combined casualty and fire section will be J. B. Clancy, secretary of Royal-Liverpool, and chairman of industry committee on uniform accounting; R. A. Bloomsburg, president of General Mutual of Albany; G. A. Conners, fidelity manager of Fidelity & Deposit on "Management's Responsibility for Dishonesty Losses"; Joseph R. Glennon, chief deputy of the Illinois department, on "Harmony in Zone Examinations," and B. B. Murdoch, Sr., administrative assistant of Prudential, on "Improving Clerical Accuracy Through Effective Use of Quality Control."

At the general session May 19 there will be a welcoming address by Mayor Rich of Cincinnati, and an address by Dr. Elliott Janney of Rober, Hibler & Replogle of Cleveland on "How To Develop Men."

Dallas Card of N.A.I.I. Is Ready

The program has been released for the third and last of a series of regional meetings of National Assn. of Independent Insurers, to be held at Dallas, June 2-3.

Addresses of welcome will be given by Texas Commissioners Butler, Brown and Smith. Following short talks the first day by L. B. Brown, president of Transport Ins. Co. of Dallas, and William C. Searl, secretary of Auto-Owners of Michigan, president of N.A.I.I., there will be a discussion of "Underwriting Profits" by John H. Carton, president of Wolverine, and a talk on "What Happens to the Policyholder and the Creditor of an Insolvent Company Under Rate Regulation," by Renne Allred, Jr., Austin attorney. The luncheon speaker is Commissioner Mason of the Federal Trade Commission.

Speakers that afternoon are W. E. Brill, Dallas manager of American International Underwriters, on "New Problems for American Tourists in Mexico and South America," Deputy Commissioner Howard E. Gates of Maryland on "Multiple Line Underwriting Under State Regulation," and Henry S. Moser, counsel of Allstate, on "The Uninsured Motorists."

Speakers and their topics the second day are C. H. Mahan, International Business Machines, "Proper Utilization of I.B.M. Equipment by Insurers;" J. Roth Crabbe, counsel Farm Bureau Mutual Auto of Ohio, "Proposed Uniform Deposit Law;" Herbert F. Walton, vice-president of Allstate, "New Developments in Uniform Accounting," and R. W. Griffith, actuary of Farm Bureau Mutual Auto of Ohio, "Procedures for Determining Excess Losses for Statistical Reporting."

Insurer Bids for Services of Men in Retirement

Washington National is making an experiment in the direction of relieving the personnel stringency by employing retired men. A number of such have already been put on the rolls and the management says "it hasn't worked out too badly." In the most recent edition of the Evanston "Review," which is a weekly publication in the head office city of Washington National, the company ran an advertisement in the classified department reading in part:

"Calling back to duty retired employees. Our increased business makes it possible to use our retired employees as well as other retired men for office work. You do not need insurance experience as we will train you. If you are tired of retirement, here is an opportunity to return to an active life doing interesting work. If you are interested in supplementing your income and keeping active, come in to see our personnel counsellors."

Virginia F. & M. Is Divested, Now of All Excelsior Stock

President Forrest H. Witmeyer announces that the entire block of stock of Excelsior of Syracuse that has been held by Virginia Fire & Marine has been purchased mainly by Excelsior agents.

During 1940 Virginia F. & M. acquired nearly 32% of the Excelsior shares, but two years ago entered into an arrangement with Excelsior agents to dispose of its holdings to them. Virginia at that time owned 31,790 shares out of a total of 100,000. Under the arrangement, Excelsior agents purchased 10,598 shares two years ago, a similar number early in 1951, and just this year, purchased the remaining shares.

Claude D. Minor, president of Virginia F. & M., continues as a director of Excelsior, although his company no longer owns a single share of Excelsior stock.

Accounting Agenda Given

The program is announced for Insurance Accounting & Statistical Assn. at the Netherland Plaza hotel, Cincinnati, May 19-21. This is an extensive agenda,

Gill, C Head Produ

The Glen Vice-president production as as. They will both fire an

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Mr. Gill assisted in H. W. Cow son, W. H. ton from th Kenney fro quarters at Maddams fi tory of the Vice-preside unchanged.

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E. F. H.

Pictured l tives of Jo ported last been electe Jefferson ha Mr. Hunt for more th Johnson & president si Mr. Jaffe business car in 1915. F since 1944.

Gill, Crawford Head Glens Falls Production Force

The Glens Falls group has appointed Vice-president E. B. Gill as director of production, and Secretary R. P. Crawford as assistant director of production. They will direct the field operations for both fire and casualty business.

Secretary J. H. Derby, Jr., will take over the former duties of Mr. Crawford as assistant to Vice-president R. A. Leet, in charge of automobile, inland marine, burglary and glass.

Mr. Gill and Mr. Crawford will be assisted in the field by Vice-president H. W. Cowles, Secretaries W. R. Carlson, W. H. Cowan, and M. D. Garlington from the home office, Laurence A. Kenney from central department headquarters at Chicago, and Thomas E. Maddams from New York. The territory of the coast department, under Vice-president R. H. Griffith, remains unchanged.

W. O. Hildebrand Honored at Dearborn Agent Meeting

The 1952 session of the Michigan legislature was marked by unprecedentedly fine cooperation between companies and agents, Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, told the Wayne County association at Dearborn.

Mr. Hildebrand was presented two handsome pieces of luggage for his work in behalf of organized agent activities.

In reviewing the legislative session, he said the success of insurance was chiefly in its negative achievements of fending off what might have been disastrous legislation. He mentioned particularly the proposed disability benefits law, a proposal for an unsatisfied judgment fund, and proposals, which never actually materialized in bill form, for compulsory automobile insurance.

He also analyzed the reorganized setup of the Michigan department, under which its work is handled on a more sharply defined divisional basis. He praised particularly the work of Asa Kelly, an assistant attorney general now permanently assigned to aid Commissioner Navarre and his chief deputy, Herbert B. Thompson.

Cancel Non-Resident License

The non-resident agent's license in Kentucky of Frederick P. Gore of Chicago was cancelled after it developed that he is interested in the R. H. Gore

Co., a recently incorporated agency at Bardstown.

The cancellation was at the request of Mr. Gore, who said renewal of the non-resident license had been asked through error and it had not been used.

The Kentucky law forbids anyone with an interest in a local agency to hold a non-resident agent's license.

Portland, Ore., high schools will give a drivers' education course commencing with the fall term.

N.C. Court Rules Signing Another's Release in Auto Collision Voids Own Policy

RALEIGH—When a motorist signs a release for another party in a collision, he also signs away his right to collect his own collision insurance policy, North Carolina has ruled.

The question arose in a case in which Blue Ridge Ins. Co. claimed that John B. Hilley of Gastonia, N. C., failed to

protect the company's interests when he signed a release for the Southern Railway after his car and a train collided.

A Gaston county jury awarded Hilley \$1,450 from the company. Blue Ridge appealed and the supreme court reversed the decision. The court held that Hilley's release, which prevented the insurance company's later recovery from the railroad, violated the insurance contract and Hilley therefore could not collect from the company for damages to his car.



593 Years of Service



An imposing record

The Agents of these Companies share with us pride in the fact that five of the Companies under Crum & Forster management are now in their second century.

THE NORTH RIVER INSURANCE CO.	Organized 1822	130 Years
UNITED STATES FIRE INSURANCE CO.	Organized 1824	128 Years
THE BRITISH AMERICA ASSURANCE CO.	Incorporated 1833	119 Years
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	115 Years
THE WESTERN ASSURANCE COMPANY	Incorporated 1851	101 Years
		593 Years

OLD COMPANIES LIKE OLD FRIENDS WEAR WELL... Over a span of almost six centuries these companies have survived the trials of Peace and War; Prosperity and Depression; Inflation and Deflation, and have profited by the experience. They have kept faith with Agents and Policyholders—mindful of the trust and confidence reposed in them. They are old in years, but young in spirit, and have kept abreast of changing times and conditions—always adhering to sound underwriting principles. With each passing year, we have an increasing appreciation of the contribution which our Agents have made to the good name and reputation of the Companies.

Top J. & H. Officers



E. F. Hunt



E. L. Jefferson

Pictured here are the two top executives of Johnson & Higgins. As reported last week, Elmer F. Hunt has been elected chairman and Elmer L. Jefferson has been named president.

Mr. Hunt, who has been in insurance for more than 50 years, has been with Johnson & Higgins since 1924 and its president since 1947.

Mr. Jefferson has spent his entire business career with J. & H., starting in 1915. He has been vice-president since 1944.



CRUM & FORSTER

MANAGER

110 WILLIAM STREET • NEW YORK 38, NEW YORK

UNITED STATES FIRE INSURANCE CO.	Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
THE NORTH RIVER INSURANCE CO.	Organized 1822	THE BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. PACIFIC DEPT. SAN FRANCISCO SOUTHERN DEPT. ATLANTA ALLEGHENY DEPT. PITTSBURGH VIRGINIA CAROLINAS DEPT. DURHAM, N. C.



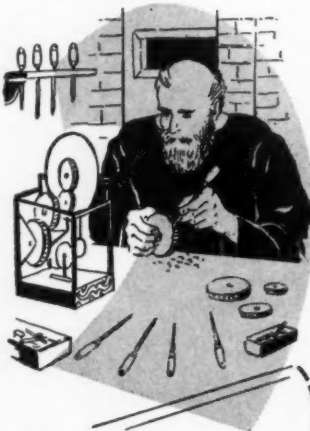
FASCINATING

st
FACTS...

the First Mechanical Clock

YEARS BEFORE recorded history, men gauged time by a Sundial, Hourglass or Clepsydra. Boethius, in the 6th Century, invented a wheel-clock. Pacificus, archdeacon of Verona, introduced a weight-driven clock in the 9th Century...

BUT PROBABLY the earliest accurate answer to the question, "What's the time?" was about 996, when an Italian, Gerbert, later Pope Sylvester II, produced the first mechanical clock.



Time is important to your assureds. After disaster

has struck, it is too late to

ask, "Am I covered?"... Your assureds can feel

secure with the complete comprehensive coverages offered by the Saint Paul Companies.



Members, American Foreign Insurance Association, offering world-wide insurance facilities.

EASTERN DEPT.
90 John Street
New York 38, N. Y.

PACIFIC DEPT.
Mills Building
San Francisco 6

HOME OFFICE
111 W. Fifth St.
St. Paul 2, Minn.

First chartered almost a century ago

a
new
emblem



... but no change in the friendly, dependable service you've known so many years

THE London Assurance

99 JOHN STREET • NEW YORK 38, N. Y.

Reach of States to Regulate I.M. Lines Deplored by Wayne

In his discussion of some of the problems in the inland marine business, at the annual meeting of the Inland Marine Underwriters Assn., H. L. Wayne, general manager, emphasized that a prime issue is whether rates for I.M. classifications are to be made on a so-called actuarial basis of loss plus expense plus profit. The rate making yardstick insurance departments are accustomed to use in determining if rates meet the standards of rate regulatory laws on other classes cannot and must not be applied to I.M. if the insuring public is to have a ready market for those coverages, he declared.

The basic rate for I.M. classes because of the nature of the business must be the lowest rate at which there will be a ready market with a reasonable chance for insured to place the risk at a price he is prepared and willing to pay. Possible exceptions are personal property floater and personal jewelry. However, even these are exceptions only in a limited sense because it is questionable if a ready market would be available for personal jewelry risks, considering the hazards of the class, if the rates were determined by losses plus expenses plus the 6% profit and catastrophe factor in fire insurance.

Ready Market Is the Thing

Many states want to make changes, he observed. It is the state's responsibility to administer the laws governing rates so that these are adequate, not excessive and not unfairly discriminatory. But, they must be realistic about this problem. The big thing in the inland field is to afford and preserve a ready market. Take bridges and tunnels, or registered mail. What insurer could be expected to risk its assets in providing millions of all-risks cover on a bridge or tunnel at a rate based on losses over a five year period, expenses, profits and catastrophe factors? The underwriter expects the business to run free of losses, but he knows the line between the probable and the possible is finely drawn, hard to find, and may mean a difference of millions in losses or an experience that warrants the risk.

Paid losses to written premiums for the years 1946 to 1950 inclusive were less than 5%. The rate is at a minimum of four cents per \$1,000. Total premiums for the five years were less than \$9,000,000. Liabilities on insured values run, however, into billions of dollars, and the loss potentialities are tremendous. There are dozens of post offices in the country where the liability of insurers in any one day would exceed the premiums that could be produced in possibly 50 years. Here is a feast or famine business for those willing to undertake it at a price and for no less.

These are not insurances on everyday necessities but on specialized and frequently luxury classes. A more prosaic illustration are cameras and musical instruments. In the five years ended with 1950, the premium volume on private cameras for all companies in all states was less than \$7,500,000 and losses were slightly more than \$2,500,000. This produced a paid to written loss ratio of 35.64%.

Not Enough for Credibility

This may seem to some an excessive profit. However, the relatively small premium volume is derived from many thousands of small policies each providing all-risk cover at rates ranging from \$1.80 for the first \$1,500 of insurance to \$1.00 for excess of \$15,000. Here is another example of risks not worth assuming at less than current rates. It is a class on which no one company can write enough to give credibility to its own experience.

Musical instruments could be worse. Including professionals, non-profession-

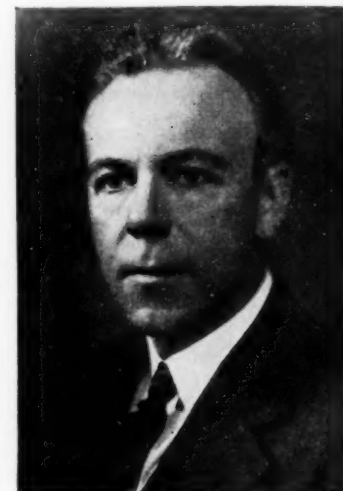
als and orchestras, the premium total for five years was just over \$5 million, losses about \$1,750,000. With this as well as other classes that are bureau rate controlled, current rates reflect the charge at which underwriters are willing to provide the market and which insured will pay.

The next big job of company executives is to convince states they cannot successfully apply the normal rating yardstick to inland business, he declared. The business needs to make up its mind and sell the reasonableness of its position to the commissioners. The waiting period has run out, the business is at the point of no return. It is time to meet conditions head on and create an atmosphere that will warrant support for a firm position.

Mr. Wayne noted with regret the loss from I.M.U.A. and Inland Marine Insurance Bureau of the support of the North America companies. He said it was a source of personal regret to him, and that there was no item of major difference with the companies at the time of their resignation.

Time Element Department Headed by Leo Kietzman

American has formed a new time coverage department, headed by Leo E. Kietzman, secretary. The new unit will



L. E. KIETZMAN

aid producers in the selling and servicing of time element business and develop sales promotion material for the coverages with the assistance of the public relations department. Mr. Kietzman started with American in 1923 as special agent. He went to the home office in 1935 as assistant secretary and became secretary in 1938. Since then he has been active in field supervision.

Becker, Aetna V.P. to Retire

Frank S. Becker, Jr., vice-president of Aetna Fire companies, will retire July 1 to enter the investment field in New York.

A graduate of Yale, he joined Century Indemnity in 1926 as assistant secretary, was made secretary in 1929, vice-president in 1942 and in 1951 was made vice-president of all companies of the group.

During his 25 years with Century Mr. Becker has been head of the agency and production department.

Name Schinnerer and Jarrell

WASHINGTON—V. O. Schinnerer, retiring president of District of Columbia Assn. of Insurance Agents, and Karl E. Jarrell, president of Thomas E. Jarrell Co., have been nominated as directors of Washington Board of Trade.

Leonard F. Burrage, Jr., has returned from a tour of active duty as a commander in the navy and is now associated with his father in the Burrage agency at Ellensburg, Wash.

Scans Law T

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Release a insurer is Mr. Crabbe leased on e or otherwis of the insur the deposit deposit is required, or to the rec designated management plication fo to the com no persona deposit. Mr. Cra

Scans "Industry" Uniform Deposit Law Ticketed to Go to N.A.I.C. in June

The proposed uniform deposit law drawn up by the all-industry committee and to be presented at the June meeting of National Assn. of Insurance Commissioners was discussed by J. Roth Crabbe, counsel of Farm Bureau Mutual Auto of Ohio, at a regional meeting at Columbus, O., of National Assn. of Independent Insurers.

The purpose of the bill, according to Mr. Crabbe, is to permit foreign insurers to make a single general deposit in their home state to meet deposit requirements of all other jurisdictions. It would not change present deposit requirements of companies operating solely within their home states, nor does it deal with trusted assets of alien companies or with security or insolvency funds.

Mr. Crabbe said that under the bill a single deposit in the home state of \$100,000 would meet the requirements of all states. While the bill gives the company the option of making a deposit either with its home state or another state, normally it would make the deposit with its home state and furnish a certificate of deposit to the commissioner of each foreign state.

Favor Flat Amount Basis

In the interest of uniformity and simplicity of administration, Mr. Crabbe commented that the committee favored putting the deposit on a flat amount basis regardless of the type of insurer or class of business so as not to place an undue burden on small companies operating in more than one state. The committee felt, he said, that in no event would a sliding scale of deposits place in the hands of supervisory authorities sufficient assets to meet all liabilities in event of insolvency.

U. S. government securities in most cases would be used for deposit purposes, Mr. Crabbe said. Since N.A.I.C. has definite rules for valuation of securities on deposit, the committee thought it sufficient to have the law state merely that cash or securities must have an admitted asset value of not less than \$100,000.

Mr. Crabbe said that where the deposit in the home state consists of "admitted assets" valued at \$100,000, according to N.A.I.C. valuation rules, the commissioner of each foreign state adopting the bill must accept the certificate from the home state official as meeting the depository requirements of his state. Consequently, he added, the assets constituting deposits must be entitled to be treated as "admitted assets" for annual statement purposes in each foreign state.

May Designate Trust Form

The bill provides that on request of the insurer, a commissioner may designate a trust company to hold the deposits, Mr. Crabbe remarked. The deposits would be held at the expense of the insurer and the state would be responsible for their safekeeping and return. The bill also permits a company to defend, receive, sue for, and recover income from securities or cash deposits; permits exchange or substitution and permits the company to inspect, at reasonable time, any deposit made in accordance with the act.

Release and return of deposits to the insurer is provided for under the bill, Mr. Crabbe said. Deposits would be released on extinguishment by reinsurance or otherwise of substantially all liability of the insurer for the security of which the deposit is held; or to the extent the deposit is in excess of the amount required, or on proper order of a court to the receiver or any other properly designated official who succeeds to the management of the insurer's assets. Application for withdrawal would be made to the commissioner, who would have no personal liability for release of the deposit.

Mr. Crabbe mentioned that some

states now hold that total reinsurance, even in an admitted company, does not constitute "extinguishment" of liability entitling the depositing insurer to withdraw its deposit. The bill seeks to avoid this interpretation. The bill leaves it to the commissioner's discretion as to whether liabilities have been extinguished. The deposits made in connection with the requirements of any other laws would be released with adoption of

the new bill by all states.

The bill provides that an alien insurer which uses the state enacting the proposed law as its point of entry into the U. S. shall be considered a domestic insurer, Mr. Crabbe noted. Assuming that Ohio enacted the bill, he said that an alien insurer using New York as its point of entry could furnish a certificate of deposit from New York to Ohio, and would thereby comply with the Ohio requirements.

Mr. Crabbe represented N.A.I.C. on the all-industry committee, comprised of American Mutual Alliance, Assn. of Casualty & Surety Companies, Life In-

urance Assn. of America, National Board and N.A.I.I. While the bill applies to all classes of insurers, Mr. Crabbe said the life insurance representatives on the committee have suggested that it might be limited to business other than life, inasmuch as the life companies seem to have experienced no particular difficulty under present laws.

Baseball was the topic at the final meeting of the year of Insurance Club of Minneapolis May 12. "Rosy" Ryan, manager of the Minneapolis baseball club, was the speaker.



Full of facts and ideas that every agent, every broker, every fieldman and Fire-Casualty executive should have at his finger-tips. 96 pages—\$1.50.

Jarvis Woolverton Mason,
author of
Agents' Advertising Primer



How to Sell MORE INSURANCE ... MORE EFFICIENTLY ... MORE PROFITABLY

If you have a sales problem now—or may have in the future—here's a new book you'll surely want to read: Jarvis Mason's *Agents' Advertising Primer*. Its ten chapters are packed with profit-building ideas.

For 25 years Jarvis Mason has devoted most of his working life to insurance advertising. For five years he was a local agent where he learned that he could double the number of sales he and his men could make by using advertising right. For 11 years he was a company advertising manager and he called on thousands of agents and brokers all over the country—talking with them, and learning from them, about how the public relations, sales promotion and advertising can build better local agencies. For more than ten years he has been an advertising agency executive and has always worked on insurance advertising that will help the local agent sell.

Now these years of experience have been distilled into a little book that every agent, broker, fieldman and fire-casualty executive can profitably read. It's non-technical, easy to read, by a top-flight writer who knows advertising, how to sell insurance, and how to run an agency. You'll find it entertaining, too, for it pulls no punches.

Here's What You'll Get

TEN VALUABLE CHAPTERS

1. Why Advertise?
2. The Words You Use
3. Prospect & Mailing Lists
4. Mail Advertising for Local Agents
5. Newspaper Advertising
6. Radio & TV Advertising
7. Billboards, Posters & Display Advertising
8. Leave Pieces, Visual Selling Material & "Gadgets"
9. Public Relations
10. The Advertising & Public Relations Plan

TEN DAYS FREE TRIAL

We're sure you will find this new book so valuable that you will examine it for 10 days. If you return it, there will be no charge and all money you have paid upon it will be promptly refunded. You'll find in it at least 25 ideas you can put to work immediately. So send in the coupon today.

PRICES

\$1.50 per copy

6, \$7.50; 25, \$27.50; 50, \$50.00; 100, \$90.00; 250, \$200.00; 500, \$350.00

TERMS—Prepaid Orders, carrying charges paid east of Rockies, ADD 3% for west of Rockies. ALSO, add all State Taxes.

ROUGH NOTES

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5-52

Rough Notes

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John W. Weddell Heads Ohio Pond

John W. Weddell, Factory Insurance Association, was elected most loyal gander of Ohio Blue Goose at the annual meeting Monday at Columbus. He succeeds Curtis F. Eagle, American, who presided. Fred I. Sipp, Hartford, is the new supervisor; Glenn F. Graf, Hanover, custodian; Wade K. Wissler, Automobile, guardian; Robert S. Landen, Western Adjustment, welder, and Rex G. Baldwin, Home, keeper.

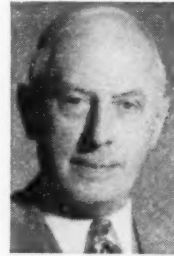
The pond initiated 27 goslings, with Alex Young, Hartford, the grand guardian, giving the obligation.

There were 162 at the dinner. Allen C. Guy, Western Adjustment, was master of ceremonies and presented 11 members with 25-year pins. Among the guests were Superintendent Walter Robinson of Ohio; Roy E. Julian, manager of Ohio Inspection Bureau; Robert Younger of the Ohio department, and James Neilan, superintendent of agencies of Norwich Union.

The Res agency of Lincoln, Neb., has bought the E. V. Austin agency there.

H. F. Badger, Pacific Board, Retiring After 41 Years

H. F. Badger is retiring as executive secretary of Pacific Board July 1. He has held that position since 1938 and has been with Pacific Board for all but three of his 41 years in insurance work.



H. F. Badger

Commenting on Mr. Badger's retirement, Herbert Ryman, immediate past president, says that "throughout the years the Pacific Board functioned as a closely knit organization, Mr. Badger handled many difficult situations involving member companies, producers and insurance buyers. Not only the board but the entire insurance business will miss his active participation."

Mr. Badger graduated from Cornell in 1903 as a civil engineer. He continued in that profession until 1911 when he became an examiner for Pacific Board at Los Angeles. The next year he was appointed an engineer and continued in that capacity until 1918, when he joined North British & Mercantile as general inspector, serving at New York, Chicago and San Francisco.

He returned to Pacific Board in 1921 as manager of its newly organized sprinklered risk department at San Francisco. He was elected secretary manager in 1924, and became executive secretary in 1938.

He is a fire council member of Underwriters' Laboratories, a member of the governing committee of the advisory engineering council of National Board; a life member of the Pacific Coast and Intermountain Assn. of Fire Chiefs; a life member of Blue Goose and a past president and life member of Fire Underwriters Assn. of the Pacific.

N.A.U.A. Master Finance Policy Ordered Out in Iowa

DES MOINES—Iowa Insurance Commissioner Fischer has ordered withdrawn, effective July 15, the National Automobile Underwriters Assn. automobile finance master policy form with double interest coverage on the grounds it does not extend a 30-day coverage to a newly acquired automobile as provided in the N.A.U.A. handbook of rules and as provided in the standard automobile policy.

The commissioner's bulletin said the standard policy has come virtually into universal use and the result has been that the general public has come to accept all automobile policies as containing standard coverage unless special rate deviations are provided for sub-standard contracts.

"Our experience has shown that the owner of a policy written through a finance company ordinarily pays the highest approved rate for his coverages yet does not receive the services normally rendered by an orthodox agency, and in many cases receives a sub-standard policy," the bulletin said. The department said the forms are "unfairly discriminatory and against public policy" and that their use would be prohibited.

Mrs. Florence H. Rockwell has resigned from the William J. Wolf agency at Chester, Pa., to become vice-president in charge of insurance for Edmund Cook & Co., Princeton, N. J. She has had 22 years' experience in insurance, having been with the Wolf agency for 13 years and before that at the home office of a New York company for four years.



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Analytic System Is Revised in Midwest States

Western Actuarial Bureau has instituted revision 19 of the analytic system, the old Dean Schedule. The classes most affected are metal and wood workers, on which rates generally will be higher, and automobile garages and repair shops, which will get a reduction.

The changes are the result of reanalysis in the metal industry of such items as use of oil, flammable hydraulic fluids, flammable compounds, recognition of hazards of molten salt baths, etc. There is a revision of treatment of dip tanks, cleaning and spraying and tempering with oils, and a closer analysis of the combustibility in these operations.

Garages and repair shops get a substantial reduction in basic occupancy charges after recognition of a trend toward less frequent losses and a reduction in hazards. There is a revised combustibility classification from C.3½ to C.3.

The schedule revision has already been approved in Ohio, Missouri, Tennessee, Iowa, Nebraska and Oklahoma.

Urges That Minors File Proof of Automobile Financial Responsibility

CINCINNATI—Agents should urge parents of minor drivers in Ohio to file certificates of financial responsibility on behalf of these youngsters, according to Elmer E. Strasser, Cincinnati attorney. Even if broad drive-other-cars protection is written in the name of a minor, a judgment in excess of policy limits can be entered against parents, Mr. Strasser said in an address before Assn. of Casualty Surety Managers of Cincinnati.

Ohio laws make the signer of the application for a driver's license issued to a minor vicariously liable for negligence of the minor. By filing a certificate that liability insurance in amounts of \$5/10/1 will cover in any accident for which the minor is responsible, the signed is relieved of this vicarious liability. Broad drive-other-cars cover in the name of the minor accomplishes this to the extent that a judgment does not exceed policy limits.

R. F. Lloyd, Hartford Accident, president of the Cincinnati group, appointed W. E. Shaw, Fidelity & Deposit, chairman of the nominating committee. E. H. Schier, American Surety, and R. B. Devore, Hartford Accident, were also appointed to this committee.

May Join State Assn.

Kittitas County Assn. of Insurance Agents at a dinner session at Ellensburg, Wash., considered adoption of by-laws and affiliation with the state association. Irwin Mesher, executive secretary of the state association, attended.

Get Security Benefit in Tax

T. A. Manning & Sons, multiple line general agents of Dallas, have been appointed general agents for Texas by Security Benefit Life of Topeka, writing all forms of individual and group life and hospitalization insurance, including a major expense or catastrophe policy.

Holds Tractor Is Not Auto

North Carolina's supreme court has ruled that a farm tractor is not an automobile. As a result Hanover was relieved of liability to pay for a destroyed tractor when its policy covered automobiles.

Arnold Jernigan, a garage operator, had the policy covering "automobiles owned by the insured and held for sale or used in repair service."

In a fire in July, 1948, a second-hand

farm tractor that had been purchased for resale was destroyed along with the garage and its contents.

The supreme court held that the policy plainly did not cover a farm tractor. The latter is not an automobile, the court said, for the "very simple reason that it is neither designed nor suitable for use on the highways and streets for transportation of either persons or property."

A half interest in the Rusing agency at Mansfield, Mo., has been purchased by Oval Daniel, who has been with the Holdrens agency at Hartville.

Not Negligence to Leave Disabled Auto on Road

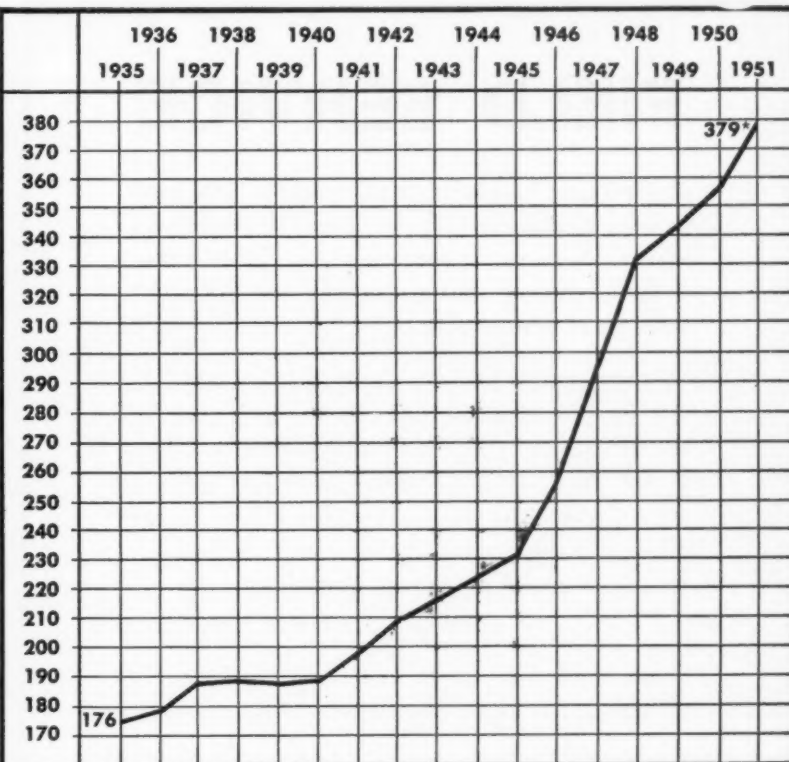
Kentucky court of appeals has affirmed a lower court decision holding that it is not negligent to leave a disabled auto temporarily on the main portion of a traveled highway. The case was American Fidelity & Casualty et al., vs. Patterson et al., CCH 38 (Automobile) 49.

A car driven by Helen Patterson skidded and overturned on a slippery highway and was abandoned tempo-

rarily. Two passersby observing the vehicle were struck by a bus insured by American Fidelity & Casualty. Suits brought against the insurer by the injured observers were settled and the company sought recovery from Patterson. The court, however, held that Patterson was not guilty of negligence in temporarily leaving the car and that the injuries to the onlookers were caused solely by the bus driver's negligence.

The Paul Wolcott, Jr., agency at San Diego has been merged into the Barney & Barney agency of that city.

Your clients should know about this



* July — Others annual averages

The chart above is a Building Construction Cost Index based on figures released by the Associated General Contractors and published by the United States Department of Commerce. The base year (which equals 100) is 1913.

Of course increases in construction costs vary by types of construction and by sections of the country. But the chart above is the overall picture. In fifteen years construction costs have increased an average of 112% — more than doubled! In ten years they have increased 91%, in five years 47%, and in three years 11%. This means that the great majority of property insurance policies you have in effect should be materially increased as they expire.

Agents of the Security and the Connecticut Indemnity are doing something about this. They have an Agency Sales Bulletin on this subject that gives not only this general Cost Index, but one on industrial construction and another on household furnishings. Complete plans are outlined for cashing in on the very real need for increased property insurance of all types. Included in this sales program is the folder shown below which includes both the general construction cost index and the household furnishings index.

The plan contains two suggested letters, one to send to home-owning clients on this vital subject of increased values, and the other for use before renewing household contents policies — PPF, or Fire, ECE and Burglary insurance.

If you would like to see samples of this up-to-date plan to increase premiums, simply complete and send the coupon below. Most insurance on real property should be increased by from 5% to 100% this year, and a great deal of the insurance on personal property should be increased, too. Proper consideration of this change in values may increase your property insurance premiums as much as 50% during the next year. Complete and send the coupon, now. No obligation, of course.

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Pacific Departments • 248 Battery Street • San Francisco 6, California



SECURITY-CONNECTICUT COMPANIES, Dept. 25-D New Haven, Connecticut
Please mail me, without cost or obligation, your plan for increasing property insurance to current values, including a new folder and your Agency Sales Bulletin giving construction and home furnishings cost charts, and sample letters to send to clients.

Name.....
(please print)
Agency.....
Street.....
City or Town..... State.....

Profit on Present Commission Small

From Hugh H. Hoffman, local agent, Dayton, O.:

Referring to suggestions to reduce agents' commission and the replies of local agents on Page 10 in your May 8 issue:

The misunderstanding on the part of the public which should be cleared up by advertising is that the public has been

led to believe that the agent's commission is the profit which the agent makes net from his business.

It has been found by companies who have operated branch offices that their branch office operation is more expensive than securing the same amount of business through a local agent's office, which is due to the fact that the branch office takes more overhead expense than the commission which is given the agent. The pertinent point in this is the fact that "commission" is a term used for the entire compensation given the agent

from which the agent must pay salaries, office rent, telephone, supplies, and credit losses.

Any agency which keeps accurate records on overhead expense will find a situation similar to ours. Without including any compensation for the agent, nor for his wife, who also works in the office, we find that the total overhead expense for a year, divided by the number of policies issued, shows that it costs this agency \$10.50 to issue and service each policy for a year. This means that when we write a \$42 premium at 25% commission, we have paid our overhead and donated the services of two people.

When we write premiums below \$42, we are not only donating the services of two people but we are also donating a portion of the overhead expense. It is necessary to write a good many of these smaller premiums in order to write fire insurance business required by the companies as a collateral line to balance off auto physical damage business. Even making an earnest effort to avoid writing small premiums, it is impossible to stay away from them completely. We find that our average premium for 1951 was \$56, which means that on the difference between a \$42 policy and the average actually written of \$56, the agent and his wife have made a profit of whatever commission is allowed, 15%, 20% or 25%, on \$12, or somewhere between \$1.80 and \$3 per policy.

If we were fortunate enough to write a large number of high-premium policies, this picture might be changed. But the figures given are the way they actually stand.

Compared with Old Days

In the days when liability and property damage cost \$16 in this territory and the agent had no overhead expense, his profit was \$4 less about 15 cents for postage, or a net profit of \$3.85. If the same party pays \$31 now for a liability and property damage policy, instead of showing a profit to the agent of \$3.85, it shows an actual loss of \$2.75.

In regard to the free advice and service given by a good local agency, we might say that we often find that customers secure advice from attorneys and pay a fee of \$50 or \$100 to the attorney for this advice, when the same advice is furnished free by our office, and even if the policy in question is written, the profit would not exceed \$25.

We believe if it were thoroughly understood that the actual percentage of profit retained by the agent is around 7% (on 25% commission business), that there would be less agitation to reduce the rate of commission to the agent.

Hemispheric Luncheon

NEW YORK—Centralization of U. S. government relations with Latin America was urged by Hugh A. Davies, head of International Harvester's Latin American operations, speaking at a Hemispheric Insurance Day luncheon Wednesday.

He said that from 55 to 60 U. S. government agencies are concerned with Latin American relations, not all attached to the State Department and many of them holding differing views.

"It is obvious," he said, "that we must cut down on the duplication of effort and on the clash of policies set up by different groups of equally sincere but possibly poorly informed individuals in our government agencies. The clash over how much we should pay for Bolivian tin is an example of the many differences that have arisen over the last 20 years."

"Our Latin American neighbors," he explained, "must take action to prevent laws that give American business less than that accorded their own nationals. American investment must be free of the fear of expropriation, of adverse and one-sided legislation and of taxes greater than those paid by others. It must be assured that when dollar exchange is available it will be supplied to permit a fair return to U. S. stockholders."

"It is necessary to the welfare of our

own country that we increase our business to the south. This should not be accomplished through government loans or government guarantees of investment. The government could help, though, by permitting all types of income earned abroad to be taxed only at the source. That applies already to earnings of personal services. A more generous U. S. tax policy would supply incentives for more rapid development of our relations with our southern neighbors."

Presiding at the luncheon was John A. Diemand, chairman of the Hemispheric Insurance Committee and president of North America.

Romulo Speaks at National Board's Annual Dinner

Gen. Carlos P. Romulo, Philippine ambassador to the U. S., will be the principal speaker at the annual dinner of National Board May 22 at New York.

The National Committee on Films for Safety, a division of National Safety Council, will present a bronze plaque to National Board, co-winner of its top honors for non-theatrical films on safety for 1951.

The award honors National Board's safety film, "Tony Learns About Fire," filmed last year in Athens, Ga., in consultation with National Educational Assn.

FIELD SERVICE

A good field man is worth his weight in gold both to the company he represents and the agents he serves. Because, to most agents, the field man is the Company, we have chosen our "Specials" with great care.

When a new field man is hired, he is brought into the home office for observation and training. He is taught, along with a great many other things, that his future growth and ours depend upon the growth of our agents—that we are all dependent upon each other and that his job is to help you in every way possible.

We are proud of our field men. We believe them to be a credit to us and to the insurance industry. You can depend upon them.

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MANSFIELD, OHIO



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NEW PLAN TO HELP AGENTS

PHOENIX-CONNECTICUT MANAGEMENT SERVICE

The record shows that more insurance agency failures are due to improper application of sound management principles than to any other single cause. With this in mind, we have established an Agency Management Service Department to help our agents with their management problems. You can get further information from our fieldman or by writing directly to

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Executive Office: Hartford 15, Conn.

TIME TRIED AND FIRE TESTED

Home

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Home Coast Change

Sim E. Wherry, whose appointment as resident vice-president of Home at Los Angeles was reported last week, has been resident secretary there since 1946. Howard A. Reynolds, who has retired as resident secretary at San Francisco, held that position since 1946. Other appointments announced include Norman A. Young to resident secretary at Los Angeles, Thomas R. Decker, resident secretary in charge at

1931 as manager of marine operations in the Pacific Coast area.

Miss Davys has been with Home since 1907 and has served in various capacities, including service as secretary to the previous resident secretaries, Clinton D. Lasher and Mr. Reynolds.

Phila. Club Hears Bielaski

Mariners Club of Philadelphia heard A. Bruce Bielaski, assistant general manager of National Board, talk on the progress being made to apprehend and convict criminals responsible for the

increasing number of jewelry, fur and other personal property losses throughout the country.

Maryland Ups Williams and Just at New York

Samuel M. Williams, Jr., and Herbert J. Just have been appointed assistant managers of the New York office of Maryland Casualty.

Mr. Williams will succeed John P. Madigan, who has resigned to become a vice-president of General Reinsurance.

Since 1942, Mr. Williams has been assistant resident manager and manager of the bonding department of Maryland at Newark. In his new post he will have charge of all bonding operations of the New York office.

Mr. Just has been manager of the agency and production department of the New York office since he joined the company in 1941.

Central Missouri Mutual has been formed at Columbia, Mo., by Glenn E. Watson, Columbia attorney, M. N. Watson and C. F. Watson.



S. E. Wherry

H. A. Reynolds

San Francisco; John E. Hughes, resident secretary of the Pacific department; William L. Latham, resident secretary in charge of Home Indemnity in the Pacific department; George A. Seawell, manager of the city department in San Francisco, and J. Raymond Callahan, general adjuster for the Pacific department.

In addition, Clayton E. Roberts, marine manager, and Miss Olive Davys of the Pacific department, have retired.

Mr. Wherry started with Home in 1930 and the following year was appointed special agent at Minneapolis. In 1935 he was transferred to Philadelphia as associate manager and in 1936 was appointed assistant manager of the Chicago service department. He was made manager at Los Angeles in 1940.

Mr. Reynolds, a past most loyal grand gander of the Blue Goose, started with Home in 1920 as a special agent in Montana. He became state agent there in 1924 and in 1934 was transferred to Denver as state agent supervising Colorado, Wyoming and New Mexico. He went to San Francisco as manager in 1939.

New Promotees' Careers

Mr. Young started with National Liberty, then a Home affiliate, in 1941. He was state agent for eastern Pennsylvania until 1947 when he went to Boston as manager. He was made Home manager at Boston in 1949.

Mr. Decker went with Home in 1935 as a special agent at Philadelphia and was transferred to San Francisco in 1937 where he later became assistant manager of the brokerage department. In 1946 he was made manager of that department and the following year became manager at San Francisco.

Mr. Hughes started with the company in 1938 as a special agent-engineer in the San Francisco service department and was named manager of that department in 1946.

Mr. Latham joined Home Indemnity in 1930 at the head office, was transferred to San Francisco in 1938 and after military service was reinstated in 1945 as manager of Home Indemnity at San Francisco.

Mr. Seawell started with the San Francisco metropolitan department, was made special agent in 1946, and assistant manager of the brokerage department later that year. He became manager of that department in 1947.

Mr. Callahan started with National Liberty in 1929 and subsequently served in the loss department of Home. He went to Los Angeles as an adjuster in 1935, became manager of the Los Angeles loss department in 1946 and was appointed assistant general adjuster of that department two years ago.

Mr. Roberts joined Home in 1923 as marine manager at New Orleans. He was transferred to San Francisco in

FINANCIAL INSTITUTIONS, TOO, PROTECT AGAINST FIRE

First Federal Savings and Loan Association

of Miami, Florida

Protected *Automatically* by ADT



Main Building

Little River Branch
Opened January 26, 1952

Fire can cause destruction in financial institutions as in other types of business establishments. Damage in such properties often is extremely serious because business is interrupted, records are destroyed, customers are inconvenienced and numerous situations arise to cause loss and embarrassment.

First Federal Savings and Loan Association of Miami, like many other Associations, banks and similar institutions, has gone all out to protect against fire as well as burglary and other hazards. The main building and the recently opened Little River Branch both are protected *automatically* by ADT.

These services include Aero Automatic Fire Alarm Service for the speedy detection and reporting of fire, and ADT Phonetalarm (sound detection) for the vault. In addition, the premises are protected by ADT Holdup Alarm Service and Watchman's Reporting and Manual Fire Alarm Service.

Write for illustrated booklet describing these and other ADT Protection Services.

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**Prompt
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Then look to

**GULF INSURANCE COMPANY
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FIRE AUTOMOBILE INLAND MARINE

Hoelting Retires, Selz Made Home's Manager at Seattle

Albert U. Hoelting, manager of Home at Seattle, will retire July 1, and be succeeded by Joseph C. Selz, manager of the marine department there.

Mr. Hoelting joined Home in 1924 as a special agent in Spokane, in 1931 transferred to Seattle, in 1939 was made state agent and in 1945 became manager.

Mr. Selz joined Home in 1923 in San Francisco, became marine special agent there then transferred to Portland, Ore. In 1939 he returned to San Francisco as assistant marine manager and in 1944 was promoted to marine manager at Seattle with jurisdiction over Washington, Oregon, Montana, northern Idaho, British Columbia and Alberta. He will continue to supervise marine operations for that territory in addition to his new duties.

Robert J. Fletcher has been named special agent at Seattle. He joined Home in 1950.

New Assistant U. S. Manager

Sun has appointed G. L. Parker assistant U. S. manager.

He has been with the U. S. branch since June, 1950, and at present is assistant secretary. Previously he was with the Canadian head office at Toronto as secretary. He joined the company in 1931.

He is a graduate of Institute of Toronto and lectured there on "Principles and History of Insurance" and "Business Interruption Insurance." He graduated from Malvern Collegiate Institute and from University of Toronto.

Can Avoid Transfer Tax

WASHINGTON — The Senate has passed and sent to the White House a measure that would exempt from the federal transfer tax transfer of title of securities to the states by insurers. Some states require this in connection with reserves.

Bolton to Bradshaw & Weil

B. B. Bolton has joined the Bradshaw & Weil general agency of Louisville as special agent and engineer. He is a graduate in engineering from University of Kentucky, was for more than three years with Kentucky Inspection Bureau, and more recently special agent of Great American at Cincinnati.

Opens New L. A. Office

Don M. Berlin, resident secretary at Los Angeles of Central Mutual of Ohio, was host to more than 300 agents and brokers at the opening of its modern ground floor office there.

This building is a one and two-story fire-resistive office building which in former years was occupied by the Old City National Bank. The building has been completely remodeled for the company's use.

Visitors from the home office attending the opening were F. W. Purmort, vice-president; H. A. Kern, vice-president; W. Earl Shackley, treasurer, and Harry L. Petrey, resident secretary at San Francisco.

Excess Cotton Plan in Texas

Texas board of insurance commissioners has authorized an endorsement and revised rates for use on coverage of growing cotton. The title of the rider is excess over 50% endorsement. In consideration of the reduced rate the insurer has no liability and insured doesn't make claims until loss exceeds 50% of insured acres. The company then is liable for only loss in excess of 50%.

Insurance Women of Austin, Tex., were entertained by Mrs. E. T. Livengood at Lockhart, Tex. The following officers were elected: Mrs. Isabel Martin, president; Mrs. Bonnie Smith and Miss Edna Sparks, vice-presidents; Gail Hill and Mrs. La Nelle Grobosky, secretaries; Miss Ella Smith, treasurer.

Max Rutledge Head of Farmers Mutual Hail of Ia.

Max D. Rutledge, formerly vice-president, has been named president of Farmers Mutual Hail of Iowa, succeeding the late Carl P. Rutledge. F. W. Benson of Sheldon, Ia., was elected vice-president. He is a director and supervisor of agents in northwest Iowa and will continue to hold that position. Paul I. Rutledge, formerly of Des Moines, who is now secretary of Farmers Mutual Hail of Missouri, was named a director.

Glenn Gharrett, formerly of Des Moines, a director who for 12 years has served as agency manager in Indiana and Ohio, is returning to the home office in charge of production and adjusting for the crop hail department, the position formerly held by Max Rutledge.

Millers National Joins E.U.A.

Millers National and Illinois Fire have been elected members of Eastern Underwriters Assn.

Wash. Adopts 3-Day Rule

Washington automobile assigned risk plan has adopted the new rule under which insurers must within three days notify the applicant that a policy will be issued or state its reasons for declination. The rule applies only to voluntary risks. As respects certified risks, the 15-day assignment period continues.

R. W. Thompson, marine special agent at Houston for North America, has been given a leave of absence to enter service.

Reported erroneously in the May 8 issue of THE NATIONAL UNDERWRITER was the experience of Harold E. Martin, new controller at the Chicago branch of Schiff, Terhune & Co. Mr. Martin was formerly an accountant with Price, Waterhouse & Co.

Eva M. Brower, chairman of the welfare committee of National Assn. of Insurance Women, is urging that members give thought to and send her their ideas on creating a permanent home for retired insurance women.

*Know the
facts about
the insured's
property values*

● An insurance program is only as sound as its basic foundations.

Make sure your client has the valuation facts for proper coverage which make his insurance an investment—not a gamble.

The **AMERICAN
APPRAISAL**
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Over Fifty Years of Service
OFFICES IN PRINCIPAL CITIES

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May 19-21, National Assn. Hotel, Cincinnati

May 19-20, Assn. of Insurers, New York

May 19-21, General Insurance, White

May 21, Writers Assn., New York

May 21, C. Wee Burn Co., Chicago

May 21-22, Palmers, Chicago

May 22, National Service, Chicago

May 22, New York Hotel, New York

May 22-24, Arlington Hotel, Chicago

May 23-24, Agents, annuities

May 26-28, Writers Convention, Hotel, Chicago

May 30-June 1, Insurance Assn., Chicago

June 2-3, National Assn., Chicago

June 11-12, Women's Assn., Chicago

June 16-17, Midyear, Chicago

June 16-17, Writers Assn., Chicago

June 16-17, H. Underwriters, N. J.

June 17-18, Eastern Assn., L. out Mountain

June 17-18, University of Chicago

June 18-19, Assn., annual, Genoa City

June 18-19, Insurance Co., Placid, N. Y.

June 19-20, Hotel Roanoke, Chicago

June 22-23, Annual, Bretton

June 22-23, Conrad Hill, Chicago

June 26-27, Directors and, N. J.

June 26, Jefferson Hotel, Chicago

July 3-5, Insurance White Sulphur

June 5-7, Edgewater, Chicago

July 17-18, Insurance Atlantic City

Convention Dates

May 19-21, Insurance Accounting & Statistical Assn., annual, Netherland Plaza Hotel, Cincinnati.

May 19-21, American Management Assn. Insurance Conference, Hotel Statler, New York.

May 19-21, American Assn. of Managing General Agents, annual, Greenbrier, White Sulphur Springs, W. Va.

May 21, National Automobile Underwriters Assn., annual, Commodore hotel, New York.

May 21, Connecticut agents, midyear, Wee Burn Country Club, Darien.

May 21-22, Assn. of Insurance Advertisers, Palmer House, Chicago.

May 22, Midwestern Independent Statistical Service, annual, LaSalle hotel, Chicago.

May 22, National Board, Commodore hotel, New York City.

May 22-24, Arkansas Agents, annual, Arlington Hotel, Hot Springs.

May 23-24, Upper Peninsula (Mich.) Agents, annual, Escanaba.

May 26-28, Health & Accident Underwriters Conference, annual, Cosmopolitan Hotel, Denver.

May 30-June 1, Consumer Credit Insurance Assn., annual, Hot Springs, Va.

June 2-3, Independent Insurers, regional meeting, Baker hotel, Dallas.

June 11-13, National Assn. of Insurance Women, annual, Alex Johnson hotel, Rapid City, S. D.

June 16-17, Eastern Underwriters Assn., midyear, Shawnee-on-Delaware, Pa.

June 16-18, Kentucky Fire Underwriters Assn., Cumberland Falls.

June 16-19, International Assn. of A. & H. Underwriters, annual, Asbury Park, N. J.

June 17-19, Tennessee Fire Underwriters Assn., Lookout Mountain hotel, Lookout Mountain.

June 17-19, C.P.C.U. Institute, University of Connecticut, Storrs.

June 18-19, Illinois Fire Underwriters Assn., annual, Nippersink Manor Resort, Genoa City, Wis.

June 18-20, International Assn. of Insurance Counsel, Lake Placid Club, Lake Placid, N. Y.

June 19-20, Virginia Agents, annual, Hotel Roanoke, Roanoke.

June 22-24, New England agents, annual, Bretton Woods, N. H.

June 22-25, N.A.I.C. annual convention, Conrad Hilton hotel, Chicago.

June 26-27, Company educational directors annual conference, Absecon, N. J.

June 26, Illinois Farm Agents, annual, Jefferson hotel, Peoria.

July 3-5, National Assn. of Independent Insurance Adjusters, Greenbrier hotel, White Sulphur Springs, W. Va.

June 5-7, Mississippi Agents, annual, Edgewater Gulf Hotel, Edgewater Park.

July 17-19, National Assn. of Public Insurance Adjusters, Claridge hotel, Atlantic City, N. J.

July 17-19, National Assn. of Public Insurance Adjusters, Claridge hotel, Atlantic City, N. J.

Aug. 17-19, Washington agents, annual, Chinook Hotel, Yakima.

Aug. 17-20, West Virginia Agents, annual, Greenbrier hotel, White Sulphur Springs.

Aug. 24-26, Wyoming agents, annual, Henning hotel, Cooper.

Sept. 7-9, Insurance Advertising Conference, annual, Pocono Manor Inn, Pa.

Sept. 8-10, Oregon agents, annual, Multnomah Hotel, Portland.

Sept. 8-10, Connecticut agents, annual, Hotel Taft, New Haven.

Sept. 10-11, New Hampshire Assn. of Insurance Agents, annual, Wentworth-by-the-Sea.

Sept. 11-12, Minnesota Agents, annual, Hotel Duluth, Duluth.

Sept. 15-17, Idaho Agents, annual, Hotel Bannock, Pocatello.

Sept. 10-12, Michigan Agents, annual, Pantlind hotel, Grand Rapids.

Sept. 17-19, C.P.C.U., annual Jefferson hotel, St. Louis.

Sept. 22-23, Utah Agents, annual, Hotel Newhouse, Salt Lake City.

Sept. 22-25, National Assn. of Insurance Agents, annual, Cleveland.

Sept. 29-Oct. 1, Bureau of Accident & Health Underwriters, annual, Grove Park Inn, Asheville, N. C.

Oct. 4-8, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety Agents, joint meeting, Greenbrier hotel, White Sulphur Springs, W. Va.

Oct. 15-16, Kansas Agents, annual, Jayhawk Hotel, Topeka.

Oct. 16-18, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.

Oct. 16-17, South Carolina Agents, annual, Ocean Forest Hotel, Myrtle Beach.

Oct. 27-28, Missouri Agents, annual, Sheraton hotel, St. Louis.

Nov. 2-3, Arizona Agents, annual, Hotel Westward Ho, Phoenix.

Nov. 20-21, National Assn. of Independent Insurers, annual meeting, Conrad Hilton hotel, Chicago.

Nov. 17-19, California agents, annual, Oakland.

Certiorari Is Denied

The U. S. Supreme Court Monday denied certiorari in number 673, Turney vs. Home Ins. Co.

Robert Bezucha, Hartford Fire, San Antonio, past president of Alamo Field Club, spoke to the Lions Club of Fredericksburg, Tex., on plans for a town inspection. The film, "Stop Fires and Save Jobs," was shown.

Philip R. Faler, Tacoma, Wash., agent, has purchased the L. M. Robbins agency from Mrs. Flora L. Robbins. Mr. Robbins passed away recently.



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AS SEEN FROM CHICAGO

NOTE SOFTENING TREND

A softening tendency as far as fire business is concerned is generally noted at Chicago these days. The declines are not abrupt and, as a matter of fact, in some offices it is simply a matter of a drop in the rate of increase. However, talk of slackening business is a tune that has not been heard in fire insurance for many a day.

The drop may be attributed in part to a less insistent kind of an economy in general, but then there are some special factors involved. There was a rate reduction in December of 1950 with a provision that term business might be rewritten at the next annual anniversary date to take advantage of the decrease. That meant that a very great deal of three and five year business that would

normally be expiring in 1952-55, inclusive, was rewritten in 1951. This swelled the 1951 premiums and, of course, is bringing in some barren comparisons this year. Then too, there is the effect of the installment payment of the term premium or the annual renewal plan which means that one year premiums are being measured against three and five year premiums.

Affecting various offices differently is the competitive use of casualty capacity to influence fire business. The tight market for automobile insurance puts a company in a commanding position with an agent if it is able to ease his problem on this score. There are predominantly casualty companies that are developing fire business in this way, and then there are some predominantly fire offices that are making some new commitments in

the auto third party liability lines as a means of increasing their fire business.

NEW W.U.A. COMMITTEES

New committee assignments have been made following the annual meeting of Western Underwriters Assn. at which M. E. Peterson of Springfield F. & M. was elected president. New members of the governing committee are H. A. Clark, Firemen's; K. B. Hatch, Fire Association; E. A. Henne, America Fore; W. E. Newcomb, Great American and W. L. Nolen, North British & Mercantile. Holdover members are Harry C. Bean, Travelers Fire; Philip S. Beebe, Hartford Fire; H. M. Mountain, Aetna Fire; W. A. Seely, Crum & Forster and Clark Smith, Royal-Liverpool.

Heading the arrangements committee is F. L. Ludington, Atlas; conference, E. H. Forkel, National; losses, E. S. Purcell, Hartford; finance, H. P. Winter, America Fore; fire protection engineering, J. C. Harding, Springfield F. & M., retired.

Also: Forms, C. W. Ohlsen, Sun; membership, Charles E. Dox, London & Lancashire; public relations, John G. McFarland, American.

S. T. Shotwell, manager of North British & Mercantile at San Francisco, is chairman of the Rocky Mountain committee. The other San Francisco members are Raymond L. Ellis, Fireman's Fund; Richard Orlob, Atlas; J. C. Qualman, Royal-Liverpool, and George E. Stroub, Home. Chicago members are: E. A. Henne, America Fore; W. E. Newcomb, Great American; C. H. Smith, Hartford, and Roy E. Westendorf, Springfield F. & M.

BUYERS HEAR GORDON FOX

Gordon Fox, vice-president of Marsh & McLennan, is addressing the May 15 meeting of Mid-West Insurance Buyers Assn. of Chicago, on "Fidelity Bonds and Coverages."

HOME PLANS FESTIVITIES

Home is planning extensive festivities at Chicago June 5-6 in connection with the formal opening of its handsome offices that comprise the entire 17th floor of both the original Insurance Exchange building and the annex building. Some 30 executives are expected to make the trip from New York, and there will be a big dinner June 5. The day for visiting the offices will be June 6. There are still some finishing touches to be made but all hands are now established in the new quarters and all of the Home people are now together, whereas in the past the farm department had been located in a different building.

NEW DISTAFF OFFICERS ELECTED

Insurance Distaff Executives Assn. at the annual meeting this week reelected Lucille Blakesley, Factory Insurance Association, as president. New officers elected are: Vice-president, Florence Peterson, Phoenix of London; treasurer, Greta Ullman, U. S. Guarantee; recording secretary, Margaret Brydon, Aetna

Fire; corresponding secretary, Grace Anderstrom, Millers National; historian, Mabel Laycock, Western Underwriters Assn.

Mathilda Schmitt, Marsh & McLennan, and Sadie Hoffman, who retired recently after many years with Underwriters Laboratories, were named to the board.

Mrs. Coula P. Butler, who is nominee for judge of the municipal court, was the speaker.

ROGER COOKE TO KEMPER AGENCY

Roger A. Cooke, formerly vice-president of the Chicago brokerage firm of W. J. Haynes & Co., is to become special representative for the Chicago agency of James S. Kemper & Co. He has had connections with T. H. Mastin & Co. and Liberty Mutual.

NEW YORK

N. Y. KEGLERS TO DINE

The annual dinner of New York Insurance Bowling League will be held May 22 at Plandome Golf Club, Plandome, L. I. Stanley D. LeWand of General Reinsurance is in charge. James Cooper, Fireman's Fund, is president of the league and will preside.

The Geo. N. Gavey trophy will be awarded to the first place team, together with a cup given to the winning team by the league itself. Second place teams will get a trophy that was donated by Jack Seide, president of Babaco Alarm Systems.

ANOTHER COMMINGLER FINED

Superintendent Bohlinger of New York has fined Edward A. Clarke of Brooklyn, a broker, \$100 for failing to keep his clients' premiums separate from other funds.

C.P.C.U. DINNER

The New York C.P.C.U. chapter will hold its annual open house and dinner meeting May 26. This is to assist those who plan to take any of the C.P.C.U. examinations. There will be a talk by Eugene A. Toale, on "How to Take C.P.C.U. Examinations" and Dr. Harry J. Loman, Dean of American Institute for Property & Liability Underwriters, will speak. Then the educational committee will lead group conference meetings intended to help candidates prepare for any one of the five specific examinations.

SHELBY DAVIS ANNIVERSARY

The New York brokerage firm of Shelby Cullom Davis & Co., specializing in insurance stocks, is celebrating its 25th anniversary. This is the successor to F. L. Brokaw & Co., which is claimed to be the oldest specialist in insurance stocks in the U. S. The present name was assumed five years ago when Mr. Davis retired as deputy superintendent of insurance of New York. The firm is



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also a member of the New York Stock Exchange and an underwriter of corporate and municipal bonds.

Associated with Mr. Davis, who is a former president of New York Society of Security Analysts, are Norman T. Robertson, former president of Continental; Kenneth C. Ebbitt, a partner and head of the municipal bond department; Horace W. Wells, manager of the trading department.

P. W. BARNES IS NAMED

Nominated for president of New York Board is P. W. Barnes; vice-president, T. Morgan Williams; secretary, E. C. Niver; assistant secretary, Stanton E. Small, and assistant treasurer, E. V. Treacy. The annual meeting is May 21.

BROKERS ELECT

Independent Insurance Brokers' Assn. of Brooklyn has elected Max Rakofsky president, Morris Weinberg, Alfred Multer, Hyman Gaster, Peter Lipari, and Lee Colton, vice-presidents, Murray Willig treasurer, and A. L. Sprintz, executive secretary. The organization is now campaigning to find casualty insurance markets for members. It has asked Superintendent Bohlinger to invite the association to attend any hearing at which insurers ask for automobile rate increases.

London Assurance Trophy Winner Is Syracuse Unit

The best way to preach public relations is to practice it, Fred C. Saal, agency manager of London Assurance, declared as the 1952 London Assurance public relations trophy for New York State local boards was presented to



Syracuse Underwriters Exchange. The trophy was received by Warren E. Day, chairman of the Syracuse board public relations committee. This was presented during the convention of N. Y. State Assn. of Insurance Agents.

It is 11 years since the first trophy was announced. "If we have learned anything about public relations in those 11 years, it is, quite simply, that the job is unending," Mr. Saal said. "It is never finished. Improving our public relations is like breathing. As long as we keep working at it, we are reasonably safe. The moment we stop, we're in trouble."

Bidgood Tex. I. M. Chief

Kenneth W. Bidgood has been promoted to director of the inland marine section of the fire insurance division of the Texas department. He has been assistant director. The former director was William R. Clark who was made an actuary in the fire insurance department some time ago.

State Farm Unit Moves

State Farm Fire & Casualty has moved to its own office building at 108 East Market street, Bloomington, Ill. This is two blocks north of the State Farm Mutual home office building.

State Farm F. & C. building has been extensively renovated. It provides 25,000 feet of space on three floors. It is

equipped with fluorescent lighting and is air-conditioned. Employees affected by this change number 183.

Add to C. & F. Western Office

Work has been started on the Crum & Forster western department building at Freeport, Ill., that will add 14,000 square feet of office space and include extensive remodeling at a cost of more than \$300,000.

The modernization will include installation of automatic heating, air conditioning, acoustical ceilings and floors and lunchroom facilities as well as other improvements. The company has acquired land behind the building and will construct a parking lot large enough to accommodate cars of all employees. Only recently modernization of all electrical equipment was completed at a cost of more than \$30,000.

Small Town Cover Plan Filed

Hawkeye-Security has filed a new municipal liability rating and coverage plan for towns of 5,000 and fewer. The rates are 10 cents per capita for 5/10 B.I. and 2½ cents per capita for 1/10 P.D. Minimum premium is \$80 for B.I. and \$20 for P.D.

Disagreement Is Ended on Seattle Housing Coverage

Public housing administration has backed down on its demands that the housing authority of Seattle place its fire insurance on a no average clause basis.

Charles W. Ross, executive director of the authority, at a conference at Washington, D. C., outlined the present insurance program, serviced by King County Insurance Assn. Firemen's Mutual of Providence, R. I., is the only company licensed in Washington which could write the cover without an average clause or with a stipulated amount clause.

The authority argued that its program requires local service and the nearest representative of Firemen's is at Pasadena. The authority stressed that local service is especially of value in connection with small losses.

Now Arnest-Young Agency

Arnest-Young agency has succeeded the Arnest agency of Cottage Grove, Ore. G. B. Arnest has been joined by Taylor Young, former special agent for General of Seattle at Eugene.

Downtown vs. Suburban Agency Locations Debated

CINCINNATI—Suburban vs. downtown agency locations were debated in a panel conducted by Cincinnati Fire Underwriters Assn. at its luncheon meeting. Experiences of agents who had transferred to suburban quarters have been favorable, resulting in greater personal convenience for management, happier arrangements for personnel, reduced rent and considerable increases in walk-in customers.

Representatives of very large downtown agencies, however, objected that such moves would cause almost total turnover in help, inconvenience in dealing with rating bureaus and possible loss of prestige. All representatives who spoke in favor of downtown locations explained that moves had been contemplated seriously, at one time or another, by their firms. Some admitted that they are still undecided.

Agents who outlined advantages of suburban offices—all of whom had made such moves—were R. F. Folz, H. P. Sweeney, R. A. Ryan and R. E. Winkler. Presenting the case for downtown were T. W. Earls, T. T. Bryant, T. Safford and G. B. Wilson.



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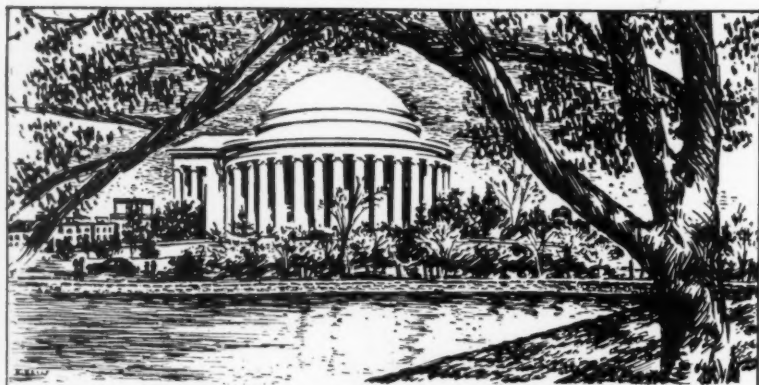
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JAFFE FORUM

Time Element Coverages and Current Sales Opportunities

About 200 attended the Jaffe agency forum in Brooklyn. Rent and rental value, leasehold interest and extra expense coverages were discussed. Charles F. Manzell, Jaffe fire department manager, defined three coverages; David C. White, metropolitan manager of Caledonian, pointed out sales ideas, and Edwin D. Weinstock, adjuster, treated the adjustment of losses.

Mr. Manzell said rental value has a wide field of prospects among the owners of one-family dwellings. There are three rent forms available. The first is the general form for writing the annual rental value of the premises. The second form is that prepared especially for writing seasonal risks, summer homes, for example. The third is the premium adjustment form, for commercial risks.

Extra Expense Contract

The extra expense contract, Mr. Manzell pointed out, must be written as a separate and distinct policy unless it is on the dwelling contract. This coverage is often overlooked by agents. He said it can very easily be sold if only its advantages are pointed out. Especially today with living costs so high, a man and his family can be faced with a very serious financial problem should their home burn, or even a portion, thereby making the house uninhabitable. Having to move to other quarters temporarily to await repairs might mean quite an added expense over the normal rent paid.

Extra expense on commercial risks is sometimes confused with business interruption insurance, he said. Many businesses have contracts, such as newspapers, which make it imperative for their services to continue although their plant may have been damaged by fire, or some other catastrophe. In this event, the newspaper would have to find other printing facilities to continue publication. Such costs to the newspaper would be covered by an extra expense policy. On dwellings, recovery is limited to 25% monthly; on commercial risks, 40%.

Mr. Manzell explained the leasehold interest policy by an example. A man pays \$10,000 for the name and goodwill of a business. He pays an additional \$5,000 for the actual lease. In case of fire, he would be covered on the \$10,000 with a leasehold interest policy. Another example: A man pays \$10,000 for a lease and then sub-leases for \$15,000. His leasehold interest is \$5,000. The fire clause in the lease is of primary importance in writing this policy, he said. "Don't do anything," he advised, agents, "until you read the fire clause."

Not Good Time for Leasehold

Mr. White talked on the three subjects from the sales viewpoint. He said there was very great difficulty in selling leasehold interest coverage at this time. This coverage is sold primarily when good contracts and leases can be made and he said the present inflation makes this difficult. On the other hand, there are people who have held leases for a long time and no doubt these are good prospects.

More extra expense coverage should be sold, he added. The important point here is to find the proper prospect. Almost any business which must continue in the face of a fire, such as newspapers, dairies, and so forth, are all good prospects for this particular coverage.

Everyone who owns property is a prospect for rental value coverage, he said. This coverage requires little actual selling. Just go and talk to the people, he advised. Discussing this coverage with a prospect is a matter of talking about losing money and just about

everyone is interested in that subject, and will be glad to listen to ways of preventing it.

Mr. White closed his talk by urging brokers to study the forms and the manuals and to "know what you are selling."

Loss adjustments under the three coverages were discussed by Mr. Weinstock. Under the extra expense coverage he said losses are paid on a basis consistent with the insured's normal conditions just prior to the loss. A man can't move his family out of a shack and into the Waldorf-Astoria. A family that spends \$50 a month on living expenses cannot move into the largest hotel in town where their living expenses are perhaps \$150 a month, and expect to be paid. This would not be consistent with their normal living conditions. If, however, this same family were forced to pay \$100 a month for living quarters in a hotel or apartment with similar conditions to their own home, then this extra expense would be covered by the policy.

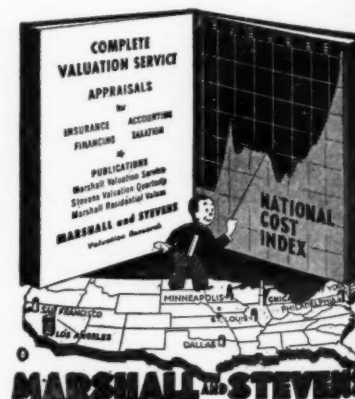
He stressed that leasehold insurance is based on the loss to insured and not on the amount of the lease. In arriving



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at the amount to be paid on a leasehold interest loss, the net profit per month is multiplied by the time required for replacement of destroyed property. Sometimes such factors as availability of replacement materials would make it impossible to rebuild immediately and that in such cases the adjuster would pay the loss based on a reasonable replacement time.

Sees Centralized Control Vital in Bank Insurance

Writing in the April issue of Auditgram, publication of National Assn. of Bank Auditors and Controllers, Fred Baker, who is insurance manager of Manhattan Savings Bank, New York City, points out the necessity of a close working relationship between the auditor and insurance department manager in order to provide the most efficient insurance coverage for banks. The auditor protects against internal losses and verification of assets while insurance indemnifies insured for losses when they occur.

The auditor must recommend proper safeguards and systems which help prevent losses. Presence of the human element requires a close harmony between auditor and insurance supervisor, Mr. Baker writes. These fields have much in common. The auditor must have a sound working knowledge of insurance, and the insurance man must have a good fundamental understanding of auditing. The auditor must know his banks' hazards and the protection provided against them. Both auditor and insurance man must have complete understanding of top management operating policies.

The insurance specialist must analyze and cover all operations against loss. He suggests ways and means of preventing loss and advocates self-insur-

ance when necessary.

Banks should provide a digest of insurance coverage to the auditor. This digest should briefly outline the various types of insurance placed on banks and their amounts, including coverage on any automobiles the bank may own and also non-ownership coverage. Hazards in bank operations should be shown and the extent of coverage, if any. If uninsured, reasons should be given for self-insurance.

Bank Coverages

Bank operations include such coverages as fire, public liability, workmen's compensation, safe depository liability, lost securities bond, boiler explosion, products liability, property damage, sprinkler leakage and fine arts insurance. The digest should further state the procedure followed in insuring real estate owned and mortgaged properties.

Periodically, states Mr. Baker, the auditor should check insurance bills against actual coverage on hand. He should check the follow up system for refunds, rate reductions and cancellation of coverage. He must obtain and credit these promptly. Further, he should know the procedure used for authorization of changes in coverage and recommendations for self-insurance together with the source of the authorization, whether by an executive, insurance or combination committee. The auditor should have readily at hand the Manual of Insurance Departmental Methods and Procedures for checking insurance operations. He must know if the insurance supervisor regularly attends insurance meetings to enable him to keep the bank informed on current insurance trends.

The various insurance department systems should be carefully examined by the auditor, according to Mr. Baker. The expiration system followed is important and recommendations are given in the manual. He must know if the spread of coverage on the bank's insurance, as well as coverage held on mortgaged properties, is carried by financial-

ly sound and well rated companies. The manual provides an outline of insurance acceptability.

A card or loose-leaf system of insurable values for each property should be set up. This enables the auditor to determine if the property insurance is adequate and in line with insurable value established by the appraisal department.

Filing and control of insurance policies calls for the auditor's attention. Policies should be filed separately from mortgage papers, and should be readily available. They should be kept in either fire-resistant vaults or filing cabinets that can be locked.

Complete fire loss records should be maintained. The auditor should know who holds loss drafts pending endorsement and if they are under adequate control. Complete accident records help determine experience rating on workmen's compensation, public liability and banker's blanket bond.

Bank officers often withhold fidelity bond claims from the insurance department. Without these the insurance department cannot check the experience rating on the blanket bond.

The auditor should check renewal policies for receipt prior to effective date. New loans should be bound immediately on mortgagee interest changes.

In the final analysis, Mr. Baker believes centralization of control in insurance operations is imperative if premiums are to be kept at a minimum and to facilitate compilation of effective data for checking experience ratings under various coverages.

Name Oates Ark. Manager

Knox Oates, former farm department state agent of Home at Little Rock, has been named manager for Arkansas. Home is closing its Hot Springs office June 1 and consolidating it with the expanded facilities at Little Rock. This action will not affect L. B. Leigh & Co. Mr. Oates served in the farm depart-

ment in various capacities since 1926. State agent N. R. Overstreet and special agent J. B. Bibb, of the Hot Springs office, will continue in their present capacities under Mr. Oates.

Fails to Transfer Policy, Bank Held Liable for Loss

Because a bank negligently failed to transfer insurance as requested, it was held liable by Florida supreme court for the loss of a truck by fire. The case was First National Bank in Tarpon Springs et al., vs. Bliss, CCH 38 (Automobile) 17.

The bank held a mortgage on the truck from one Wesley Gillett who later entered into a partnership with Bliss, selling him one-half interest in the truck, subject to the unpaid balance. The partnership was dissolved and request made to the bank to have the insurance policy amended to show Bliss as the owner. Being assured that his request was complied with, Bliss made the payments until the truck was destroyed by fire.

The facts disclosed the bank had failed to effect a transfer of the policy as promised and, the court held, having negligently failed to do so it was liable to Bliss for damages.

Smith Feted by Home

Harold V. Smith, president of Home, celebrated his 15th anniversary as president May 9 and was tendered a dinner that evening in the Hunt Room of Club 21 by the officers of Home and Home Indemnity.

One of the most widely known figures in the fire insurance business, Mr. Smith began his career in 1910 with Franklin Fire, an affiliate of Home which was merged into the latter company in 1948. In 1925 he became vice-president of Franklin, and in 1929 was named vice-president of Home. He became president in 1937.

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NEWS OF FIELD MEN

Aetna Fire Names Five in Marine Field Transfers

Three special agents have been appointed and two marine department special agents have been transferred by Aetna Fire.

S. Allen Tillotson, special agent in northern New England, was transferred to Oklahoma City as special agent of the marine department. Joseph Ryan replaced Mr. Tillotson as special agent in New Hampshire and Vermont. Peter B. Harrington, special agent in Penn-

sylvania, was transferred to the marine underwriting department of the home office. John H. Stoddard was appointed to take over Mr. Harrington's duties in western Pennsylvania, and Charles I. Tenney replaces Mr. Harrington in eastern Pennsylvania.

Mr. Tillotson was educated at Louisiana State University and Tulane University. Prior to joining Aetna in 1949 he served for four years in the air force. He worked in the inland marine department of the home office and attended the company's multiple line training school until 1950 when he was

appointed special agent in northern New England.

Mr. Ryan has been in the marine underwriting department of the home office. Mr. Stoddard has been at the Philadelphia marine office. Mr. Tenney, a graduate of Trinity College, joined the marine underwriting department of the home office in 1949. After completing the training school, he was transferred to Philadelphia.

Jay-Honk in New Format

Volume IX, No. 3, of the Jay-Honk, publication of Kansas Blue Goose, appeared in four-page printed form for the first time this month following several months of planning by a special

committee appointed by M.L.G. C. J. Wintroll, Royal-Liverpool, Wichita. Byron R. Ward, Topeka, state agent of Glens Falls, is editor of the publication, which was first issued by C. E. Stiehl, now assistant manager of London & Lancashire at Chicago, when he was Kansas state agent.

Shift O'Brien to Kansas City

Robert W. O'Brien, northeast Kansas state agent of Royal-Liverpool for five years, with headquarters at Topeka, is being transferred to Kansas City, Mo., June 1, to supervise northwest Missouri. He has been very active in Kansas field organizations and is new captain of the guards of Kansas Blue Goose.

Inspect West Chicago

Illinois Fire Prevention Assn. inspected West Chicago last week. Richard E. Vernor, fire prevention department manager of Western Actuarial Bureau, was speaker at the Chamber of Commerce luncheon, and talks were given to school children by R. K. Johnson, Aetna Fire, and Leo N. Davis, American. H. E. Endicott, Northern of London, was in charge of the inspection.

Shift Eade to Seattle

New York Underwriters has transferred Wayne E. Eade of the Pacific Coast department to Seattle as special agent in western Washington. He will be associated with H. L. Reilly, special agent.

Name Lemm in Okla. Field

Security of New Haven has appointed Raymond A. Lemm as special agent in Oklahoma. He will assist Manager J. W. Crist with offices in the Fidelity National Bank building, Oklahoma City.

Mr. Lemm was in the navy for four years, and joined Security at Chicago in 1946. After serving as an underwriter he was transferred in 1951 to Oklahoma City as an underwriter.

Baker Enters Adjusting Field

Lane Baker has resigned as state agent at Seattle for Commercial Union and has formed a new independent adjusting firm there with Allan V. Kelly.

Mr. Kelly has been in the fire adjusting business for many years. Mr. Baker after practicing law at Seattle went with Commercial Union in 1942 as claims superintendent and was advanced to special agent in 1949.

St. Louis Pond Annual May 19

St. Louis Blue Goose annual is to be held the evening of May 19, with a social hour at 6 p.m. and dinner at 7. The membership committee has lined up a large class of candidates to be initiated.

Appraisal Course in Wash.

Washington Fire Underwriters Assn. is sponsoring a course in building appraisals at Seattle May 12-16. J. W. Marshall of Marshall-Stevens of Los Angeles will be the instructor.

Beale Visits Coast Ponds

Charles L. Beale, Yorkshire, Dallas, most loyal grand gander, will visit San Francisco Blue Goose May 19 and will

Madge Now With Brown

Sydney Madge, who formerly operated Guaranty Underwriters, surplus line brokerage firm, has joined Brown General Agency at Seattle as assistant manager of the casualty department.

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be the guest of honor at its luncheon. W. F. Williams, executive secretary of California Assn. of Insurance Agents, will speak on "Education and Legislation."

Mr. Beale will be the honor guest at the 25th anniversary outing and ceremonial of Fresno-San Joaquin pond at Fresno, Cal., May 16-17.

Boyle Gets N. H. Territory

Edward J. Boyle, formerly special agent for Employers group, has joined Phoenix-London as New Hampshire special agent for fire and casualty lines, with headquarters at Manchester.

Before going with Employers two years ago, Mr. Boyle was with Putnam agency at Manchester and prior to that was with the Stanley agency at Lincoln, N. H.

Pa. Field Club Elects

Pennsylvania Field Club at the annual meeting at Harrisburg elected as president Edmond J. Renkey, National Union; vice-president, Carl Swarr, U. S. F. & G.; secretary, G. Edward Gingerich, Loyalty Group, and treasurer, L. B. Packard, Commercial Union.

New Nebraska Officers

Walter N. Blake, Springfield F. & M., was elected president of Nebraska Fire Underwriters Assn. at the annual meeting last week at Omaha. Gay E. Miller, Royal-Liverpool, is the new vice-president, and Norman H. Bressman, Aetna Fire, was named secretary-treasurer.

May Joins North British

North British group has appointed Rex H. May as special agent in Ohio with headquarters at the Columbus office.

Mr. May is a graduate of Indiana Technical College and has recently been with Ohio Inspection Bureau.

Bourke Made State Agent

Dubuque F. & M. has advanced James J. Bourke to state agent for Pennsylvania and northwestern New York. He replaces Robert H. Klein who has entered the local agency business at La-Crosse, Wis., with his father, Arthur Klein.

Mr. Bourke has been with the company for several years, most recently a special agent in eastern Pennsylvania. His headquarters will be at Harrisburg, Pa.

Connecticut Club Elects

Connecticut Field Club has elected Henry Fuldner, North America, president L. A. Geis, Commercial Union, vice-president Henry Ohliger, Home, treasurer, and H. P. Andersen, secretary.

Mount Vernon, Wash., Inspected

Skagit County Assn. of Insurance Agents and Washington Fire Underwriters Assn. inspected Mount Vernon. E. L. Smith, assistant state fire marshal, talked on fire prevention at a luncheon. L. W. McChesney, Jr., Great American, was chairman of the committee in charge of the field men's inspection teams and Felix Minor and Norman V. Taylor, president, headed the association's activities.

Tom Hamm to Local Agency

Tom Hamm, field supervisor in west Texas for Trezevant & Cochran, has become a partner in the Burnside-Grafa local agency at Midland, Tex. H. Elbert Broyles, who was with Automobile, takes Mr. Hamm's place with T. & C.

Boston has moved its downstate Illinois service office from Peoria to Springfield. Don J. Tanner is state agent.

California Blue Goose will hold its annual picnic for ganders and their families at Valley Country Club, Sherman Oaks, May 24.

Expect Early Ruling in Case of Penalized Detroit Agent

LANSING, MICH. — An early decision is expected in circuit court here in the appeal from a decision of the Michigan department suspending for nine months the license of Theodore R. Kelter of the Kelter Agency, Seven Mile Road, Detroit, and imposing a \$3,500 penalty based on charges that the agency issued "free binders" to large building contractors in the Detroit area, had paid commissions to unauthorized persons and had been guilty of coercion.

Arguments were heard in the case the past week with Archie Fraser, Lansing attorney, representing the appellant agent and Maurice M. Moule, assistant attorney general, appearing for Commissioner Navarre.

Fraser offered a general denial that binders were issued on a free basis as charged; contended that the penalties assessed were excessive and inequitable, and that companies were notified of the license revocation before any actual effective date was fixed, and questioned the right of the special deputy commissioner assigned to the hearing to order a revocation without specific order of the commissioner.

While a temporary restraining order was issued, Kelter's licenses were not reinstated. A rehearing was denied by the department prior to the appeal.

Because of the small amounts involved, it is conceded that some unpaid premiums were charged off to office or advertising expense. As to payment of commissions to unauthorized persons, it is claimed this charge was based on a payment to a former official of National Home Builders Assn. who contends that large-scale builders are entitled to premium concessions, similar to discounts on materials. It is asserted that similar arrangements have been in force with many other agencies.

Hear Business Bureau Head

Ralph Hinman, head of the Wichita Better Business Bureau, spoke at the May 8 meeting of Wichita Assn. of Insurance Agents. Officers will be elected at the next meeting. President Garnett Mason named Ray Mann, Dulaney, Johnston & Priest, chairman of the nominating committee.

Springfield (Ill.) Assn. of Insurance Agents will hold its annual field day and golf outing July 9 at Oak Crest Country Club.

R. A. Gottschalk Takes High Post at Roy Martin & Co.

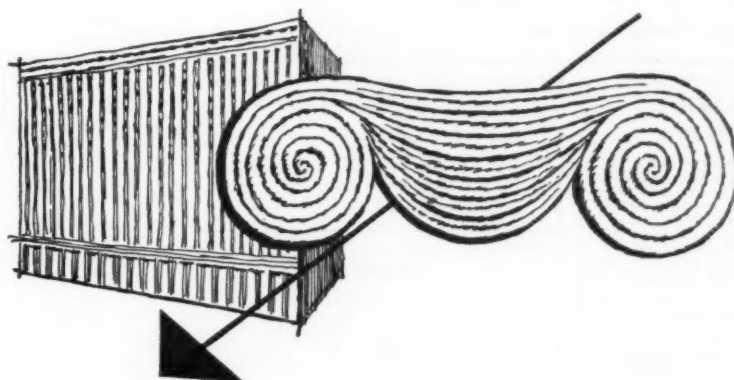
Robert A. Gottschalk, formerly branch manager of Houston Fire & Casualty and of Gottschalk agency, has joined the Louisiana and Mississippi managing general agency firm of Roy Martin & Co. as executive vice-president. Headquarters of Roy Martin & Co. is at New Orleans.

J. Parchman Henry has joined Roy Martin & Co. as manager of the service office at Meridian, Miss., looking after the entire state. He was formerly with General Adjustment Bureau at Meridian and for a number of years was branch manager for National Surety.

May Now Smith Partner

William L. May has joined the Matt G. Smith agency at Baton Rouge, La., as a partner. The agency will continue under its present name. Widely known in insurance circles, Mr. Smith established his agency in 1909.

R. L. Parmenter, office manager in the Pacific department headquarters of Royal-Liverpool, has been elected a director of San Francisco chapter of National Office Managers Assn.



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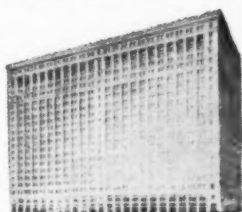
For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

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Life, A. & H. Insurance Opens Up New Field for "Business Interruption" Cover

JAMAICA, N. Y. — "Business interruption insurance," a term well known to general insurance men, was given a new twist for the benefit of brokers by Nelson Broms, manager of the Levine agency of Security Mutual Life of Binghamton, N. Y., in New York City at a meeting of the Queens County Brokers Assn. here.

Mr. Broms showed how business interruptions due to death, accident, or sickness can be as disastrous to a business as those caused by fire, windstorm, or any of the other physical hazards.

Using the theme, "Crime Does Not Pay," Mr. Broms said it was a "crime" for a general insurance broker to let some other producer slip in and write life insurance, accident, or sickness coverages on the broker's clients. First, the outsider may sell the wrong type of insurance. Second, he may work himself into the buyer's confidence to the extent of taking over general insurance lines in addition to the personal insurance coverages.

"Most general insurance men want to render good service, as that is their main stock in trade," said Mr. Broms. "It is not giving good service to let someone else come in and write coverages the broker himself should have written."

As a rule of thumb, a broker should figure on getting about twice as much life insurance business, in face amount, as he gets in premium volume on his general insurance business, said Mr. Broms. This is too much to expect at first when the broker is getting under way but is by no means impracticable as soon as there is enough business so that clerical help in the office can take care of most of the details, leaving the broker himself adequate time to solicit life and A. & H. coverages.

Business interruption that can be covered by personal insurance includes situations where the continuation of the business would be jeopardized by the loss of a key man through accident, illness or death. Sometimes credit would

be impaired by such a loss. These hazards can be handled by insuring the key man, or in the case of life insurance where a key man is an owner, they can be handled by agreements, funded by business life insurance, to guarantee the surviving partner's ability to buy out the decedent's heirs and continue the business.

Where the business is a sole proprietorship and the owner is active in the operation of the business, the situation calls for insurance, both A. & H. and life, on the proprietor. The motivating factor here is that if the proprietor is taken out of the picture by accident, illness or death, there will be need for money so that someone else can take over his job.

Even where the need for business interruption insurance to keep a business going is not so direct, there are many situations where families need protection because of the hazards of death, accident or sickness, Mr. Broms pointed out.

Appraisal Practices for Insurance Purposes

Of 22 medium sized manufacturing companies asked by American Management Assn., 13 make their own property appraisals for determination of insurable values. Seven of the 13 rely primarily on their own engineering and accounting departments. The other six make separate insurance valuations, usually by adjusting engineering and accounting reports. Appraisals furnished by insurers and independent appraisers often are used with internal figures to arrive at valuations.

Only three of the companies surveyed depend primarily on insurers for appraisals. Four companies make extensive use of public indices of building and equipment prices in adjusting valuation. Ten use them incidentally or not at all and eight use them as checks or in combination with other sources.

Two firms that do most of their own appraising rely on cost records adjusted to current replacement cost. One of the two insert agreed amount clauses in its insurance contracts whenever possible. Another company uses the trend appraisal method for periodic review and applies maximum percentages of depreciation.

Frequency of Appraisal

Frequency of appraisal or adjustment of values varies from constantly to seldom. One company adjusts valuations every two years, three annually, and several oftener than once a year. Seven of the companies regularly employ independent appraisal companies, all but one of them on a continuous service basis. None of the companies with continuous appraisal service does any appraising of its own except for such items as small tools, inventories or new facilities not yet formally appraised. Only one makes any use of insurer valuations. Although another says it would consider them if they were supplied.

Criteria used in selecting an appraiser include cost of services, reputation, which is determined by references from other users and recommendations of brokers, adjusters and company local offices, extent and nature of appraiser's service, past experience with the appraiser, observation of operating methods of appraiser, and his acceptability to government, insurers and others.

Two of the 10 delegates at large from Nebraska to the Republican national convention at Chicago in July will be insurance agents. They are Arthur J. Weaver of Lincoln and Harry S. Byrne of Omaha. Mr. Weaver topped the list of candidates for delegate at large. Jack Elliott, local agent of Scottsbluff, was elected an alternate.

Royal J. Curtis has joined Cole, Clark & Cunningham, Portland, Ore., as transportation safety engineer. He has been active in the trucking industry and was formerly with Truck Insurance Exchange at Los Angeles.

STANLEY TALK

Work of Rating Bureau Described

NEW YORK—The stamping offices of New York Fire Insurance Rating Organization handle about four million daily reports and endorsements a year in New York state plus about two million additional in New York City where stamping service of a spot check type is given by the examining bureau of the organization, H. Sumner Stanley, assistant general manager of the organization, told the Savings Bank Insurance Forum of New York at a meeting here.

N.Y.F.I.R.O. is not supposed to retain the daily report more than 48 hours since it is the insuring company's notice of liability. This means that mechanization and streamlining of the review process is needed wherever possible.

The organization recently inaugurated a new procedure in connection with dwelling policies with amounts of insurance of \$7,500 and less. Instead of issuing a formal criticism, it returns the daily report to the agent with a memorandum indicating the error and asking that it be corrected and resubmitted. In a 5-month experiment at the Rochester district office, it was found this procedure reduced the number of criticisms by 35%.

N.Y.F.I.R.O. serves approximately 10,000 agents in New York state through rate cards, rules, bulletins and other facilities, Mr. Stanley said. It supplies them with forms for attachment to policies, more than 11 million in 1951. The printing, supply and mailing operations in connection with this one detail present many problems. With the advent of the new one-write policy, the organization must stock and supply two series of forms during the period that the former type of policy remains in use.

Mr. Stanley noted the volume of these operations in order to explain why it may appear that the organization moves slowly in making changes in rules and forms. It is not so much that it is resistant to changes generally as that it tries not to make frequent revisions of a technical nature which have little real significance in the case of individual contracts.

Every rule book supplement containing changes produces a good deal of confusion and consternation. It frequently results in an immediate scrapping of millions of forms and a flood of requests for new editions. It often results in long letters of protest or inquiry with attendant need for appropriate response. The organization does not object to progress, he said, but is ready and anxious to assist in the development of worthwhile improvements in contracts and coverages.

He noted that the one-write policy has revisions which will probably be of little actual benefit to those who maintain the policy itself in their files, such as savings banks. But the potential benefits to all branches of the insurance business are tremendous.

Mr. Stanley noted that general rate revisions are upsetting to the business and the public, and N.Y.F.I.R.O. tries to spread them out as much as possible. When a change is made it usually involves percentage increases and reductions of many classes and makes the majority of rate cards obsolete. The organization tries to republish its rates as soon as possible after the change so there is a minimum of confusion but with hundreds of thousands of cards involved it cannot be done in a short space of time.

He said he had been asked why the boiler exclusion in the extended coverage endorsement cannot now be removed. Perhaps it will be in the future but for the moment, extensions of coverage under this endorsement are being tried separately in the additional E.C. He thinks extensive experience under the new form will have to occur before such a major revision of E.C.

WANT ADS

Rates—\$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

EXECUTIVE MARINE UNDERWRITER

20 years experience in all phases of ocean, hull and inland marine insurance, and administration. Young man, 36 years old, now with large marine underwriting group in management capacity, would consider change to similar position in San Francisco. Salary at least \$15,000. Or would consider agency providing opportunity obtain ownership interest. Address L-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

A & H FIELD SUPERVISOR

A growing midwestern company needs a capable A & H man with proven administrative and sales ability, as a field supervisor in Ohio. A great opportunity for the man who feels he is stymied in his present position. Well worth investigating. Good salary and chance to become an important member of the company's executive staff. Our employees know of this ad. All replies treated confidentially. Write to Box No. L-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ASSISTANT UNDERWRITER

Ambitious young man, who wants to grow in the business, to assist in automobile and general liability department of Ohio casualty company. Excellent starting salary and opportunity for advancement. State age, education and experience. Our employees know of this ad. All replies treated confidentially. Write to Box L-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SAFETY ENGINEER

Wanted by large multiple line casualty company in Chicago. Workmen's Compensation experience desired. Salary commensurate with experience. Company car furnished. Replies will be held confidential. Address L-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIELD OPPORTUNITY

Nationally operating independent multiple line company has outstanding field opportunity in Minnesota. It will pay you to investigate. Address L-57, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

CASUALTY SPECIAL AGENT

Real opportunity for an aggressive man with at least several years field experience. Salary open.

Continental Casualty Company
Pittsburgh Branch Office
200 Grant Building
R. F. Holz, Manager

WANTED

Experienced Casualty Fieldman, unmarried for Agency production and contact work. Travel Kansas, Colorado, Arizona, New Mexico. Car furnished. Salary open. Give qualifications. Agency Director, Great Central Insurance Company, Peoria, Illinois.

WANTED NEBRASKA FIELDMAN

Multiple line mutual company over 50 years old desires experienced fieldman for Nebraska to work out of Lincoln. Send resume in strict confidence to N. W. Schaeffer, Supt. of Agencies, 2200 Grand Avenue, Des Moines 12, Iowa.

WANTED

Company or Agency connection—Age 43—24 years of experience in ALL phases of casualty operations in East-Midwest and Southwest. Address L-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FIRE ADJUSTER WANTED

Well established Chicago independent adjuster has place for experienced Fire claims adjuster. Address L-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIELDMAN AVAILABLE

An experienced fire fieldman, with knowledge of the casualty business, desires to represent a company in the middle-west, Western New York or Western Pennsylvania. Address L-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED — MINNESOTA

Man with Fire Rate and Valuation experience by old established local agency in Southern Minnesota. Some field experience desirable. Address L-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

C.P.C. Institute

G. H. I. writes:

For many subscribers at UNDERWRITER of your editorial opinions, my own individual opinion because editorial attitude was affiliated with field of insurance program.

These are sure to come to them to waste of level education is not in this editorial opinion. "Some Ag 3 issue.

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THE REPORT

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WANT TO BE A DRIVER

C.P.C.U. Upholds Institute Program

G. H. Dorney, Indianapolis C.P.C.U., writes:

For many years I have been a subscriber and reader of THE NATIONAL UNDERWRITER and, for the first time, one of your editorials has given me some thoughts for criticism of the implications expounded in the editorial. My opinions, expressed herein, are wholly my own and I am writing as an individual holder of the C.P.C.U. designation because I sincerely feel that the editorial smacks of the "sour grapes" attitude which too many people, affiliated with the casualty and property field of insurance, have for the C.P.C.U. program.

These attitudes are based upon failure to complete the program, causing them to shout loud and long that it is a waste of time or, they feel the high-level educational program of the movement is not needed. Some of the points in this editorial tend to bear out the latter opinion. I refer to the editorial "Some Agents Are Pros" in your April 3 issue.

Has No Magical Powers

Your writer alleges, among other things, that there may be danger in achieving a designation that will, in itself, have magical properties. I believe that there is not a single holder of the designation who thinks it has any magical powers since it has been awarded him as a token of successful completion of a thorough program of education in the fields which will enhance his being able to better serve the public. There is not a single holder of the designation who does not believe that success in the business requires hard work and a lively intelligence. If they felt otherwise would they subject themselves to several years of hard study and 20 hours of vigorous, written examinations? I think not. Those who think there is danger in holding a designation think so because they either do not have it, will not strive to get it or have been put ill at ease or perhaps lost some point to one who has prepared himself to be of better service.

More to Selling Than Taking Order

The editorial writer commends increased knowledge and says that such efforts should be commended. In this thinking we are in agreement and I am wondering what the writer of the article thinks the program of the American Institute is. Has he thoroughly examined its aims, educational plans and efforts to better train men for the business? Having taught in the program for five years and having talked to many who have been successful and many who have not been successful, too many attempt to contrast this program with the brief educational programs put on by companies, some local groups, etc. They fail to realize that there is more to selling proper insurance than taking an order or presenting a sales talk prescribed by a sales promotional expert.

The pages of your magazine could better be used to help promote, not take unjust stabs, at the program. The editorial writer contradicts himself constantly throughout the article in commending and then jabbing. There are

two aspects of selling insurance, (1), the policy-peddling method; (2) the method of selling the proper coverage, obtaining the best rating possible tied in with a sincere desire to serve the buyer on the highest level of an attitude which is one of service, not just taking an order for a policy. We have had too much of method No. 1. Method 2, properly expanded with the help of all those connected with our great business, will perhaps not make our vocation a purely professional field but it will improve it to the point where the service extended is very closely akin to professional attitudes in doing the job better for all.

More flies are caught with sugar than with vinegar so let's have some more help, not hindrance.

NEWS BRIEFS

Gordon A. Bubolz, president of Home Mutual, Homestead Mutual, Bubolz Mutual Town Fire and secretary-treasurer of Home Mutual Casualty, Appleton, Wis., has announced his candidacy for reelection as state senator. He has served eight years in the senate.

Nels B. Arveson, for 22 years South Dakota state manager of Northwestern National Life, has retired under the company's retirement plan and is setting up his own general insurance agency at Sioux Falls under the title Nels B. Arveson & Associates.

T. Ray Phillips, Jr., Oklahoma City local agent, has filed as candidate for county commissioner there. He is a son of T. Ray Phillips, Sr., America Fore, past most loyal grand gander of the Blue Goose and active in other insurance organizations.

E. Fred McPhail has been installed as president of **Charlotte, N. C., Assn. of Insurance Agents**. McAlister Carson, Jr., is vice-president and George P. Wadsworth secretary.

Gurdon W. Wattles, president of Century Investors, Inc., has been elected a director of Jersey and **William S. DuBois**, vice-president of Chase National Bank, has been elected a director of Bankers & Shippers, these being companies of the Meserole group.

Archie R. Taylor, manager of the A. & H. department of the Bechard & Earley agency, Nashua, N. H., spoke at a meeting of New Hampshire Dental Assistants Assn. on "Insurance Hospitalization Plans."

The new officers of **Insurers of Colorado Springs** were installed at a dinner gathering. John W. Brink is president; Louis Wood, vice-president; Hester L. Carey, secretary, and Nelson Haley is treasurer.

Washington Automobile Assigned Risk Plan, which has had offices in conjunction with those of National Bureau of Casualty Underwriters in the Dexter Horton building at Seattle, has taken its own quarters in the same building. E. R. Haffner is now manager.

Kempner Claims Service of Denver has added **Robert H. Pearson**, a graduate of Denver University, to its staff as an adjuster. He has had five years' experience in casualty claims work.

Morrie L. Garwood, formerly manager of the special risks division of the Kemper Companies, has taken an interest in the New York City brokerage firm of Harry R. Lea & Co. He was a consulting engineer with National Bureau of Casualty Underwriters and for the past 25 years has been with the Kemper organization.



XVIII Century Highland pistol remarkable for the excellence of its manufacture and the beauty of its decoration.

adequate
protection

The early highlanders were considered to be the best armed soldiers in the world. But against today's modern firearms, theirs would hardly be considered adequate protection. The same parallel could be drawn of fire insurance protection of yesterday and today. With more than 147 years of experience in developing proper protection, Caledonian takes pride in the up-to-the-minute service its agents give policyholders.

the **Caledonian**
Insurance Company

Founded 1805

Executive Offices - Hartford, Conn.

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THE F.B.I. REPORTS!

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Are you helping to reduce the hijack hazard by recommending that your shipper-assureds use only BABACO protected trucks? BABACO has meant effective cargo protection since 1931!

BABACO ALARM SYSTEMS, INC. • NEW YORK 14, N. Y.
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Indianapolis Portland Superior Cleveland Buffalo Columbus
Phoenix Vancouver Toronto Montreal Havana London

EDITORIAL COMMENT

Keeping a Wholesome Lookout

The reaction to the editorial in the April 17 issue, "Auto Commission Reduction," was interesting, but indicated that agents thought we were advocating a reduction. Actually, our conclusion was that agents' commissions are not going to be reduced on the automobile line. We sought to show that none of the arguments for such reduction that we have heard is persuasive; nor are all of them.

It was interesting to note that several of the comments called attention to the need of agents to propound more vigorously and fully their contribution to the daily insurance economy. The most persistent conversation about the size of agents' commissions on automobile B.I. and P.D.L. comes from the ranks of the commissioners, and it is there agents will probably at some time need to defend their position. This has been pointed out by a good many observers, including agents, since state rate regulation was strengthened following the commerce decision. New York State

Assn. of Insurance Agents at its recent meeting called for more detailed articulation of the agent's contribution and costs of doing business.

What is wholesome in this situation is the fact that the question is being discussed in a dispassionate, objective, and fair way without rancor and without attempt to substitute pressure for reason.

The agents and companies alike seem to understand that in the final inning it is the public that is going to cast the deciding vote, and there is a sincere effort apparent to evaluate the agents' services in the eyes of the public and relative to the cost of other services and products. If this were a subject that one dare not mention without fear of reprisal and mass indignation, then we would fear for the agents' position. But with all hands on the alert and keeping a smart lookout for straws in the wind marketwise the chances of steering a proper course are good.

Where New York Lags Shamefully

The recent indictment of 14 persons in Buffalo in connection with an extensive investigation of a new wrinkle in fraudulent automobile insurance claims spotlights more glaringly than ever before the need for a motor vehicle certificate of title law in New York and the half-dozen other states that have thus far failed to enact this type of legislation.

About \$15,000 has been paid on claims that have been proved fraudulent while probably from \$20,000 to \$25,000 has been paid in other fabricated claims that have not yet been tagged as fakes.

The claims bureau has been cooperating with authorities in the Buffalo area on this investigation for about a year and Robert Dick, assistant to the manager of the claims bureau of the Assn. of Casualty & Surety Companies, spent nearly two months there. The investigation is being pursued intensively and it seems likely that all the malefactors will be caught up with, but there is scant possibility that any of the claim money will be recovered.

Lack of a certificate of title law made it relatively easy for the Buffalo type of scheme to be perpetrated, for under the New York motor vehicle bureau's present set-up, there is no way of tracing a vehicle's ownership through either the motor number or serial number.

The system used in this plan for de-

frauding the casualty companies involves no car-stealing.

The scheme works this way: One of the conspirators buys a wrecked car, usually from an insurance company that is selling it as salvage. By preference he buys a high-priced car, such as a Cadillac. A confederate then reports a fictitious accident to the police and motor vehicle bureau. For example, he reports that while he was driving his Ford truck, a front tire blew out, causing the truck to go out of control and into the Cadillac, which in turn went out of control and ran into a tree. The owner of the truck takes full responsibility for the accident. His liability insurer pays the Cadillac owner for the damage. The damage is of course extensive and there is no question of the legality of the ownership of the Cadillac. There is no collision insurance on the truck, so there is no reason to make an inspection of that vehicle. It is not necessary for it to have been anywhere near the scene of the accident.

The owner of the wrecked Cadillac then transfers title to some other confederate and the defrauding process is repeated as many more times as the gang members think they can get away with it.

From the criminal's point of view, a fine feature of this scheme is that there is nothing about these claims that is out

of the ordinary and hence likely to arouse suspicions that would lead to an investigation. And, even where there is an investigation it is difficult for it to track down all of those involved because in a state like New York it is impossible to trace, from the motor and serial numbers, who the former owners of the car were who made similar fraudulent claims.

This scheme came to light only because an alert mechanic who was asked to bid on repairing one of the wrecked cars observed that the accident could not have occurred as alleged by the car's owner. The right-hand half of the windshield was broken outward, as could only have happened if a passenger's head had banged against it. Yet the driver had said he had been alone. Also there was no claim for bodily injury, which of course there never was in any of these faked accidents. The claimant said that the windshield had been broken by a tree branch but that would have broken the windshield inward instead of outward.

This circumstance was the break that led to further investigation and a discovery of the wide scope of this operation. However, the investigators were greatly handicapped by inability to trace former ownership of cars through the

motor vehicle bureau.

The lack of a title law in New York and a few other states has long been a thorn in the side of automobile fire and theft insurers. Efforts have repeatedly been made to get a title law enacted in New York as a means of curbing auto thefts, but so far without success. This type of law is highly unpopular with many dealers who handle used cars. This is not because they are interested in winking at thefts but because the title law inevitably adds to a dealer's record-keeping. However, the experience in the other states having such laws shows that it is not unduly burdensome.

With casualty companies as well as fire companies having a direct interest in the enactment of a motor vehicle title law in New York and in other states that need such a law, there would seem to be considerably more hope of overcoming the opposition to such badly needed legislation.

New York has reason to be proud of much of its legislation, particularly that dealing with insurance. The lack of a motor vehicle title law is something that should be remedied at the next legislative session unless New York wants to continue to be in the position of an elegantly dressed gentleman choosing to ignore the gravy stains on his vest.

PERSONAL SIDE OF THE BUSINESS

Lawrence T. Diring, assistant secretary of Home who, as reported in last week's issue, has been transferred from the head office to Denver to assume charge of operations in Wyoming, Montana, Colorado and New Mexico, has been with the company since 1930. He started as an examiner at St. Louis, was appointed Montana special agent in 1934, state agent there in 1944, and manager three years later. In 1947 he was transferred to the home office where he became assistant manager of the automobile department in 1950 and manager of that department a year later. He was elected assistant secretary last month. Mr. Diring will be under the supervision of George E. Stroub, vice-president and secretary of the Pacific Coast department.



L. T. Diring

Ashby E. Bladen of Glen Ridge, N. J., vice-president of the Aetna-Century group in New York City, has been elected moderator of the middle Atlantic conference of Congregational churches.

Stuart G. Thompson, president of Stuart G. Thompson-Elwell Co. of Seattle, northwest underwriting managers and general agents, is on a three-week visit to the east and midwest calling on home offices of companies his firm represents.

He is being accompanied by his son, Stuart, Jr.

Walter S. Henrion, vice-president and treasurer of Woodmen Accident and associated companies, has been appointed general chairman of the 1952 Lincoln (Neb.) Community Chest campaign.

Raymond N. Caverly, vice-president of America Fore, is general chairman of the annual meeting of New York State Bar Assn. at Saranac Lake, June 27-28.

N. T. Joost of the H. C. Hare Company general agency of Jacksonville, Fla., was in New York this week on business. He was accompanied by his son, Hobart, who is in the firm.

John A. Neale, chief engineer of National Board, has been initiated into Tau Beta Pi, engineering honor society, in ceremonies held by the fraternity at Tufts College, Medford, Mass., of which Mr. Neale is an alumnus. He was elected for attainments in the field of engineering. He has had a long and prominent career in the field of fire protection engineering, having served with the Factory Mutual companies, Tennessee Inspection Bureau, as chief engineer of Chicago Board, and chief engineer of



John A. Neale

The NATIONAL UNDERWRITER

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BOSTON 11, MASS.—210 Lincoln St., Tel. Liberty 2-1402. Wm. A. Scanlon, Vice-Pres.
CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz, Chicago Mgr. A. J. Wheeler, Resident Manager.
CINCINNATI 2, OHIO—420 E. Fourth Street, Tel. Parkway 2140. Chas. P. Woods, Sales

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News Editor: P. A. Post.
Editorial Assistants: Charles C. Clarke, Ellsworth A. Cordesman, Donald F. Johnson.

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Howard J. Burridge, President.
Louis H. Martin, Vice-Pres. & Secretary.
John Z. Herschede, Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.

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PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3954. F. W. Bland, Pacific Coast Manager.

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Underwriters Laboratories. He has been chief engineer of National Board since 1950, in charge of all the fire protection surveys of cities, engineering standards, research work and building code developments.

Robert J. Caverly, son of **Raymond N. Caverly**, vice-president of America Fore, has been made general manager of the Caribe Hilton, the Puerto Rican unit in the Hilton chain. Mr. Caverly, who takes over his new duties in Puerto Rico in June, has been at the Waldorf-Astoria in New York.

Sterling T. Hooker, secretary of the personnel department of Travelers, has been appointed to the national board of directors of Junior Achievement.

Herbert Helmkamp, state agent of America Fore, is confined to St. Luke's hospital at Denver with a heart condition and other complications. He expects to be able to go home next week.

Too Many Meetings?

THE NATIONAL UNDERWRITER received this week letters from two eminent, respected veterans in the executive ranks of life and A. & H. companies, expressing identical reactions to the editorial in the May 1 edition entitled "Too Many Meetings?" These correspondents are **H. R. Kendall**, chairman of Washington National of Evanston, Ill., and **W. T. Grant**, chairman of Business Men's Assurance of Kansas City. Both of them feel that the insurance business is afflicted with conventionitis and the brakes should be applied to the calling of many meetings.

Mr. Kendall writes:

In your editorial comment of May 1 on "Too Many Meetings" this certainly, to my mind, is a timely subject as we feel very definitely there is so much material coming to us from so many associations on so many different subjects and with the shortage of help, it is hard to do justice to many things that probably could be put off or passed up entirely.

While on this subject, I want to say that I have been hoping that some of you editors of trade journals would bring out the fact that there is a possibility that some of our insurance organizations are making what would ordinarily be called in the political world a "junket trip"; that is, their scheduled meetings at the expensive resorts at some points where it's difficult to reach from a transportation standpoint, as well as the expensiveness of the hotel.

My feeling is that policyholders and stockholders are going to some day question some of these expensive trips and entertainment features that they are providing for themselves. Please understand me, I realize that companies who are holding conventions for their agents and who furnish this trip and entertainment because of production of business is another side to the question. What I am talking about are these sight-seeing expensive trips that are made by purely home office officials.

* * *

Mr. Grant says:

Congratulations to you on your editorial in the May 1 issue, on the subject "Too Many Meetings?"

This has become a major problem with a company like ours engaged in various lines of insurance activities, which means membership in both life and accident and health trade associations.

The editorial is so timely that we are calling it to the special attention of all of our official staff, and am sure it will help stress our determination to attempt to reduce the number of those attending the many meetings that are being called.

It seems especially unnecessary to some of us to continue to have semi-annual meetings of certain organizations that mean traveling long distances at costly expense with transportation and hotel rates as they are today, as well as loss of time from other official duties.

So again I salute you for having touched upon a very live subject at this particular time.

DEATHS

MUNROE ENGLISH, who retired in 1947 as Pacific Coast manager for

Phoenix of London, died recently at his home at Los Angeles at the age of 72. He had been in the service of Phoenix 47 years. He started at San Francisco as office boy for Phoenix of Hartford in 1898 and then went with Phoenix of London in 1901. He went into field work in 1914, two years later became assistant general agent and later assistant manager. He served for about six months as manager before retiring.



Monroe English

JOHN M. SMITH, 54, fidelity and surety manager of Hartford Accident at New York, died in Holy Name hospital at Teaneck, N. J., after an extended illness. Mr. Smith was in the surety business in New York for about 34 years.

JOHN C. WOODS, district claims manager at Springfield, Ill., for Chicago Motor Club, died at St. John's hospital after the car he was driving collided with the rear of a truck. It was determined that Mr. Woods had suffered a heart occlusion just before the accident. He was with the Pinkerton Detective Agency working on insurance cases until 1939 when he went with Home Indemnity as an adjuster. He joined the motor club in 1942 in the claim department.

CLARENCE J. DRISCOLL, senior casualty field auditor for the Aetna Life companies, who would have celebrated his 40th anniversary with the group July 8, died at Hartford.

V. A. NICHOLS, who formerly operated an extensive independent adjusting organization with headquarters at Washington, D. C., died. His business



V. A. NICHOLS

was purchased sometime ago by John Roane of Baltimore. Mr. Nichols had been active in the councils of National Assn. of Independent Adjusters and was the president of that organization in 1940. He was a member of the conference committee on adjusters of American Bar Assn. for many years.

PETER J. BRUNO, agency supervisor and production manager at Chicago for American Casualty, died of a cerebral hemorrhage after an illness of several months. Mr. Bruno started his insurance career in 1922.

T. CARSON TALIAFERRO, who retired as vice-president of New York Underwriters in 1949, died at his home at Wilmington, N. C.

Mr. Taliaferro joined New York Un-

(CONTINUED ON PAGE 34)



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when you're tuned in on this Group. The program it offers provides complete satisfaction to producer and insured alike!

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CORPORATE & MUNICIPAL BONDS

110 WILLIAM STREET

NEW YORK 38

Employers Reinsurance Corporation

CONDENSED STATEMENT AS OF MARCH 31, 1952

ASSETS

Cash in Banks and on Hand.....	\$ 1,980,747.51
Bonds, Amortized Value	
United States Government	\$30,937,756.12
United States Government Agencies	4,622,224.39
Canadian Government	1,388,817.48
State, County and Municipal	7,314,739.01
Total Bonds	\$44,263,537.00
Stocks, Market Value	5,001,992.63
Total Bonds and Stocks	49,265,529.63
Mortgage Loans	100,623.22
Uncollected Premiums (Not Over 90 Days)	470,804.19
Interest Accrued and Other Admitted Assets.....	389,456.35
Total Admitted Assets	<u>\$52,207,160.90</u>

LIABILITIES

Reserve for Claims and Claim Expense.....	\$32,147,201.52
Reserve for Unearned Premiums	9,385,072.17
Funds Held Under Reinsurance Treaties	2,534,060.36
Taxes and Other Liabilities	436,859.57
Capital	\$ 2,000,000.00
Surplus	5,703,967.28
Surplus to Policyholders	7,703,967.28
Total	<u>\$52,207,160.90</u>

On the basis of March 31, 1952, market quotations for all bonds and stocks owned Total Admitted Assets would be \$52,174,045.21. Securities carried at \$3,462,378.11 in the above statement are deposited as required by law.

REINSURANCE IN MULTIPLE LINES

KANSAS CITY, MO.
Insurance Exchange Bldg.

NEW YORK
107 William Street

CHICAGO
175 West Jackson

SAN FRANCISCO
114 Sansome Street

LOS ANGELES
1141 W. 6th Street

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Heard Named Assn. of Casualty & Surety Companies President

G. D. Mead Becomes Vice-president; Dorsett and Murphy Are Reelected

NEW YORK—Manning W. Heard, vice-president of Hartford Accident, was elected president of Assn. of Casualty & Surety Companies at the annual meeting here. George D. Mead, president of Glens Falls group, was elected vice-president.

J. Dewey Dorsett was reelected general manager and Ray Murphy general counsel. The following member companies were elected to the executive committee: Fidelity & Deposit, General Accident, Indemnity of North America, Maryland Casualty, Massachusetts Bonding and National Surety.

Mr. Heard declared that the reduction of accidents is of primary importance in meeting the problems that confront the casualty business. By holding accidents to a minimum, a solution may be found to the difficulties caused by increasing loss ratios.

Public Welfare Uppermost

Mr. Dorsett pointed out that the association's 110 member companies have demonstrated their integrity by keeping public welfare uppermost. The association, he said, not only helps to safeguard the public against accidents, but also to keep insurance service at high levels and hold premium costs at low levels by its work in such varied fields as accident prevention, claims, research, legislation and public relations.

High school driver education courses have been expanded until today approximately 8,000 schools with an enrollment of 660,000 students train the young to be safe motorists, and the first national plan for integrating safety into school shop courses has been instituted.

During 1951, he said, claims totaling well over \$1 million were submitted to arbitration in 58 cities in accordance with the inter-company arbitration agreement. In addition, the independent appraisal plan proved to be so successful that there are now 41 plans in operation. The detection and suppression of fraudulent claims continues to occupy the claims bureau's attention and more than 1 million claims were cleared through the index system last year.

More Than 10,000 Bills Reviewed

Bills relating to casualty insurance and suretyship to be studied and reviewed numbered more than 10,000 in the past season, Mr. Murphy said. The highlight of the legislative season was the interest in automobile liability insurance. Safety responsibility laws have been enacted in 40 states. There has been considerable interest in non-occupational disability legislation. There is a continuing demand in some states for monopolistic state funds of various types.

The business meeting was followed by a reception and luncheon. Approximately 200 insurance executives and their guests attended the latter, including fire insurance people, and Superintendent Bohlinger of New York, J. M. Haines, past president of the association and retired U. S. manager of Phoenix-London, and Frank A. Christensen, head of America Fore, a past president.

Continental Casualty to Purchase Stock of U. S. Life

Offer Already Accepted by Interests Holding Majority Shares

Roy Tuchbreiter, president of Continental Casualty, announces that the company has offered to purchase all of the shares of the issued and outstanding stock of United States Life which may be offered to it on or before June 26. This offer has already been accepted by American International Underwriters insurance interests, present holders of a majority of outstanding stock of U. S. Life. Offers to purchase their shares at the same price as that accepted by the A. I. U. insurance interests are being sent to remaining stockholders.

U. S. Life, now in its 103rd year of operation, has over \$550 million of insurance in force.

Mr. Tuchbreiter said that the Continental interests did not contemplate any major changes in either personnel or operations and expressed hope the present directors would continue to give the benefit of their services to the company. Mr. Tuchbreiter expressed confidence that, with the continued wholehearted support of the present experienced staff and with the strength and experience that will be added by Continental Casualty and its life insurance running mate, Continental Assurance, U. S. Life will continue to progress and grow.

There will be made available to agents of U. S. Life similar facilities to the broad ones now offered by Continental Assurance and steps will be taken aggressively to develop an agency force in the United States. Prior to 1947 a large portion of U. S. Life business was written in foreign countries, but in more recent years greater emphasis has been placed on domestic operations, with the result that 64% of the total premium income came from domestic sources and another 15% from Latin America. It is also expected that there will be made available to all U. S. Life agents a broader kit of modern A. and H. policies similar to those of Continental Casualty.

Continental Casualty reached over \$65 million of A. and H. premiums and this year expects its A. and H. volume to reach \$70 million.

Continental Assurance will reach the \$2 billion mark of paid for life in force this year.

Cash Sickness Bill Loses Out Again in Mass.

For the fourth year in a row, the Massachusetts house has turned down a state cash sickness program. Three variations of the plan were disapproved—a "compromise" measure patterned after the California plan; a compulsory plan operated by insurance companies, and the compulsory state fund.

Seventeen Democrats bolted the party to vote against all three proposals, the closest vote being on the state fund plan, which lost out 127 to 100. According to local newspapers, the key bill was the California plan compromise of state-company competition. This was defeated 176 to 52 and forecast the end again this year of any cash sickness legislation. The debate was relatively brief and lashed the intensity of former years, partly because the administration this time was not insisting on cash sickness legislation.

N.A.I.I. Columbus Regional Draws 150

Jamieson Cites Trend Toward Rigid Rate Control by States

There was a turnout of about 150, including several representatives from the Kentucky, Ohio, Indiana and Michigan insurance departments, for the regional meeting at Columbus of National Assn. of Independent Insurers.

Following a welcome by Superintendent Robinson of Ohio there were short talks by William C. Searl, secretary of Auto-Owners of Michigan, president of N. A. I. I., and Vestal Lemmon, manager of N. A. I. I. Speakers the first day were Robert G. Jamieson, general manager of Detroit Automobile Exchange; Sterling Alexander, general counsel of N. A. I. I.; R. W. Griffith, actuary of Farm Bureau Mutual of Ohio; August Pryatel, deputy Ohio superintendent; Irving J. Maurer, treasurer of Farmers Mutual Auto of Madison, vice-president of the association, and J. Roth Crabbe, counsel of Farm Bureau Mutual of Ohio. Mr. Crabbe's talk, dealing with the proposed uniform deposit law, is reported elsewhere in this issue. Luncheon speaker was Commissioner Leslie of Pennsylvania.

Rigid Rate Regulation

Mr. Jamieson gave three reasons for what he said is a movement on the part of commissioners toward more rigid regulation of rates. First, he said, is a thirst for uniformity. If used as a vehicle for convenience, economy and better understanding, uniformity has virtues, he said. He added, however, that it is being used to penetrate rate making processes of companies and bureaus, as well as for enforcement of insurance department procedures. He wondered how uniform treatment could be applied to a state where, if there is reasonable competition, a rate could not be excessive under the law, and to a state where there is no competition, and extreme regulation justified.

Another reason for this trend, Mr. Crabbe said, is the growing demand for more statistical information pertaining to expenses and losses in the few states where there is little or no competition. Departments in these states obtained laws which were submitted to other commissioners as advantageous for all states, or at least certain zones.

The third cause of the movement toward rigid regulations he listed was advocacy of the theory that the insurance business is in the same category as utilities and railroads.

No Compromise on Authority

The right to exercise judgment in making rates must rest either with the companies or in the government, Mr. Jamieson stated. There can be no ultimate compromise on this. The nature of regulations being adopted and considered today point to a movement to change the judgment right from the companies to the state. If the objective of commissioners is not to control the judgment factor in making rates, why require a meticulous reporting of statistics to support rates? he asked. Before regulatory acts were passed, he said departments, for the most part, were able to determine from the annual statements of companies whether rates were excessive or unreasonably high.

In order that companies be properly regulated and yet competition be preserved, Mr. Jamieson suggested that the commissioner who believes that it is his duty to set a limit beyond which

(CONTINUED ON PAGE 39)

Casualty Rating Errors Breed Crisis, J. W. Reynolds Says

Charges National Bureau Chained to Past—Asks Regional Authority

J. W. Reynolds, president of United Pacific, in addressing a meeting of Insurance Brokers Exchange of California, at Los Angeles, voiced the belief that the business is on the path to disaster in the automobile field and he called on all elements of the business to snap out of it and see that the rate level is pitched on the prospects for the year ahead instead of on the record of the year behind. Unless this is done, with full support of the insurance commissioners, "we will not long," he said,



J. W. Reynolds

"enjoy meetings such as we are having tonight, as there will be no private capital available to our industry."

According to Mr. Reynolds, National Bureau of Casualty Underwriters is outspoken in stating that they will not raise a rate until they have all of the facts and experience tabulated—even after 10 years of proof that these facts are obsolete by the time they are correlated into rates and the necessary year elapsed before the rates are effective to its member companies. N.A.U.A., he declared, on the other hand, has been alert to trends and has kept its eyes on the future.

Fears Company Failures

Unless there is a change in the rate making procedure of National Bureau and unless the procedures keep pace with the trend of inflation, there will be enough company failures to cast discredit on the business as a whole. It is ridiculous, he said, to wait a year to change rates in these volatile times. Three months after Korea, he said, every commissioner that kept up to date, knew the automobile rates were inadequate. For two years prior to Korea, he charged, the same rates were excessive and in neither instance did the bureau operate as a prudent rating organization giving prompt and equitable treatment to the public and companies alike.

Wants Decentralization

Mr. Reynolds said that there are many who advocate having National Bureau operate on a regional basis. Many far westerners want this because none of the western states is subject to the rigid rating laws that were enacted elsewhere. There would be more confidence in the rate structure if the Pacific advisory committee was broadened to include some of the independent companies and was given authority to make overall rate changes without waiting for national action. A local committee in California could keep rates more in line. The commissioners in the west would be more sympathetic and the public more willing to accept rate changes that were made by a local organization. He expressed the belief that public opinion

(CONTINUED ON PAGE 37)

N. J. Auto Bills, Now Law, May Squelch Compulsory Idea

U.J.F. Aimed at Area Presently Without Protection

Gov. Driscoll has signed the five bills dealing with automobile bodily injury and property damage liability. Thus, at one swoop, New Jersey, which has been operating with one of the old type financial responsibility laws, comes to the front with legislation which goes further than any other state in dealing with this problem.

The modern, stringent type motor vehicle responsibility law becomes effective next April 1. Two of the bills signed are adjunctive to the F.R. law. One deals with the filing of reports and the other with assessments on insurers for the costs of administering the F.R. law. However, the big interest is in the unsatisfied judgment fund measure.

It is the U.J.F. in combination with the modern F.R. law which is being looked upon as a substitute for compulsory liability insurance. There has been considerable agitation for compulsory in the state.

Commissioner Enthusiastic

Commissioner Gaffney of New Jersey considers the proposed program superior to the compulsory program in Massachusetts. The U.J.F. will permit recoveries by hit and run victims, by victims of those operating stolen cars or of other unauthorized drivers and of financially irresponsible drivers from other states.

The commissioner and some insurance executives believe the New Jersey plan may establish a pattern for the country as a whole as a method of meeting the arguments of compulsory proponents.

The U.J.F. does not go into effect until April 1, 1955, to permit a closing of the gap between the present 60% of New Jersey cars that are insured and the much greater percentage expected to become insured under the revised F.R. law. However, creation of the fund will begin in 1954. On the basis of 1,200,000 registered vehicles in New Jersey in 1951 and approximately \$60 million in auto liability premiums collected by insurers, assessments to create the fund will raise some \$1,500,000 to \$1,700,000 for the fund at the outset. Owners of uninsured vehicles will pay \$3 and owners of insured vehicles \$1 additional when they apply for 1954 license plates. Insurers will pay one half of 1% of net premiums collected from New Jersey residents as of the year 1953.

There is of course nothing quite like the New Jersey U.J.F. law anywhere.

Procedure Under U.J.F.

The victim of an accident must report it promptly to the motor vehicle bureau and notify the fund when he starts suit against the driver involved in the accident. If there is no liability insurance, the fund will assign to an insurer the investigation, defense preparation, and representation of the car owner in court. The owner can be represented by his own lawyer, but in such case will be responsible for his own lawyer's fees.

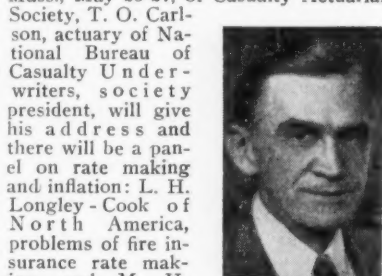
The fund may settle claims up to \$1,000 without going to trial or court consent under certain conditions. Above that, the court's approval is required.

The hit and run victim brings action directly against the fund, naming the state treasurer, custodian of the fund, as

defendant. The fund then makes use of any defense available to the driver, if he were on hand, including the right to challenge the amount of the claim. There is a \$200 deductible on any judgment or settlement against a financially irresponsible driver. Limits for the U.J.F. are the standard 5/10. The judgment is to be assigned to the fund, which is under duty to use all means to collect from the defendant. While the judgment remains unsatisfied the defendant cannot obtain a new license unless able to furnish proof of future financial responsibility.

Card Ready for Casualty Actuaries Spring Meeting

At the spring meeting in Stockbridge, Mass., May 25-27, of Casualty Actuarial Society, T. O. Carlson, actuary of National Bureau of Casualty Underwriters, society president, will give his address and there will be a panel on rate making and inflation: L. H. Longley - Cook of North America, problems of fire insurance rate making, and M. H. McConnell of General Accident, fire insurance rate making as a casualty man looks at it.



T. O. Carlson

There will be a Sunday social hour and buffet supper, and a social hour and dinner on Monday. At the Monday dinner William J. Constable will act as emcee and introduce Commissioner Sullivan of Massachusetts, the dinner speaker.

Five Companies on Big Dam Bond of \$39 Million

Fidelity & Deposit has executed one of the largest contract bonds sponsored by it in recent years. The bond covers the construction, at a cost of \$39,749,997, of the powerhouse substructure and superstructure of the Chief Joseph Dam on the Columbia River about two miles above Bridgeport, Wash. Completion date is July 1, 1956.

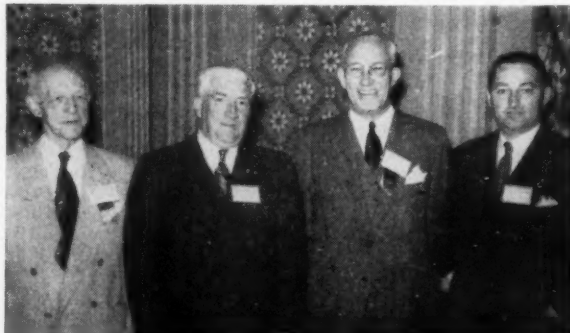
F&D. shares suretyship with Aetna Casualty, Maryland Casualty, Travelers Indemnity and Hartford Accident. The work will be done by Morrison-Knudsen Co., Boise; Peter Kiewit Sons Co., Omaha; General Construction Co., Seattle; Henry J. Kaiser Co., Oakland, Macco Corp., Paramount, Cal.; Walsh Construction Co., New York; B. Perini & Sons, Framingham, Mass.; Puget Sound Bridge & Dredging Co., Seattle, and MacDonald-Young & Nelson, San Francisco.

Test Nebraska FR Law

Appeal to the state supreme court has been made by Atty. Gen. Beck of Nebraska on a ruling of Lancaster county district court vacating the state's suspension under the financial responsibility act of the driver's license and plates of K. M. Hadden.

Following an accident, Hadden was unable to meet the requirements of the financial responsibility act.

Shown at the regional meeting at Columbus, O., of National Assn. of Independent Insurers are, from left, R. W. Atwell, Michigan department; William C. Searl, secretary of Auto-Owners of Michigan, president of N.A.I.I.; Commissioner Leslie of Pennsylvania, a speaker, and Vestal Lemmon, manager of N.A.I.I.



Pull in Horns on Liability Lines, As Story Worsens

General liability lines continue to deteriorate. As usual, metropolitan New York City leads off—experience there is worse than anywhere. However, Massachusetts is said to be bad and Boston very bad. Restrictions also are being applied to Chicago and as far west as San Francisco.

Some insurers now are underwriting even comprehensive personal liability very carefully in New York City, and at least one company has withdrawn the coverage there entirely. Agents are telling companies to charge more for CPL in order to have it to sell—they say the insurers are giving it away for too little money.

On the general liability lines, 1950 was bad, 1951 was worse, and 1952 is getting serious. Some insurers are writing O. L. & T. policies rated on an area and frontage basis for one year only. It is even hinted that insurers are coming around to the view that all third party liability lines should be written for one year only. The squeeze on O. L. & T. of course is the inflexible rating base and rising loss costs. Other insurers are looking askance on liability covers for certain types of risks, such as schools.

M. & C. has been deteriorating, though it has not reached the serious stage. Even so, it is said to have passed the permissible loss ratio in certain territories over the country. Products is reported to be worse.

Insurers are examining their loss ratios by territory and are finding that the metropolitan centers, at least a few of the big ones, are running far and away ahead of the rest of the country. In some cases these disparities are astonishing on both automobile B.I. and general liability. It has been in the big cities that the companies have taken a licking, and the situation is getting worse.

Weimer, Streit to C. & F. Western Casualty Posts

Crum & Forster has appointed R. A. Weimer western department casualty claims manager and has named Clarence J. Streit to the casualty underwriting staff.

Mr. Weimer has had long insurance experience and for 16 years was with Travelers, most recently as supervisor of casualty claims at Milwaukee. Mr. Streit for four years has been with the special risk department of Zurich.

S. C. Dates are Oct. 16-17

The annual convention of South Carolina Assn. of Insurance Agents is scheduled for Oct. 16-17 at the Ocean Forest hotel at Myrtle Beach.

Hunter Rejoins Hartford

George S. Hunter, who has been on active duty with the air force as a major, has completed his tour of duty and has resumed his work as agency superintendent for Hartford Fire at Atlanta.

Complete Agenda for Denver Meet of H. & A. Conference

The detailed program has been printed for the annual convention of Health & Accident Underwriters Conference at Denver May 26-29. The first business session is Tuesday morning, May 27, but on the preceding Sunday evening there will be a reception at the Cosmopolitan Hotel for early arrivals with Colorado Life Convention as host. On Monday there will be the annual conference golf tournament and golf dinner.

Mayor Quigg Newton of Denver will give the welcoming address Tuesday morning. Jarvis Farley, secretary of Massachusetts Indemnity and conference president, will give his report, and the A. & H. people will be welcomed to Colorado by Commissioner Kavanaugh. Frank Sullivan, Kansas commissioner and president of N.A.I.C., will give a talk entitled, "Growing Pains." The final business that morning will be the report of Managing Director C. O. Pauley.

G. A. L'Estrange, United American Life, will preside at the luncheon at which the speaker will be William J. Grede, president of Grede Foundries of Milwaukee and president of National Assn. of Manufacturers.

Speakers that afternoon will be C. W. Cameron, southwest manager of North American Accident, on "How Do You Look to Your Field Force?" Harry Becker, associate director of Commission on Financing of Hospital Care, and formerly with United Automobile Workers CIO, on "A Report to the Public on the What and Why of Hospital Costs," and Ralph T. Heller, Prudential, on "Some Problems in Health Insurance." Mr. Heller is president of International Claim Assn. and chairman of Health Insurance Council.

Wednesday Speakers

Wednesday morning Mr. Farley will preside as talks are given by W. J. McGettigan, vice-president of Security Life & Accident, on "Income Insurance for Physically Impaired Applicants," J. E. Hellgren, Lumbermen's Mutual Casualty, on "Where Is Group Insurance Headed?" and A. N. Williams, Sr., president of U. S. National Bank of Denver, on "America at the Half Century."

In the afternoon, Robert R. Neal, North American Accident, executive committee chairman, will preside as the Harold R. Gordon Memorial Award is presented. Addresses at this session will be given by A. D. Marshall, assistant secretary of General Electric Co., on "Government Insurance by International Treaty," Frank L. Harrington, president of Massachusetts Protective and E. H. O'Connor, managing director of Insurance Economics Society, who will outline the activities of that organization, and Carl A. Ernst, manager of North American Life & Casualty at St. Paul, and president of International Assn. of A. & H. Underwriters, on "Passport to Freedom."

That evening there will be the president's reception and banquet.

The meeting will be concluded Thursday morning with the talk of E. J. Faulkner, president of Woodmen Accident. This will be followed by the executive session at which the new officers will be elected.

Aside from the golf tournament, there will be a sightseeing tour of Denver and Lookout mountain on Monday afternoon, and the ladies will have separate entertainment during the convention sessions.

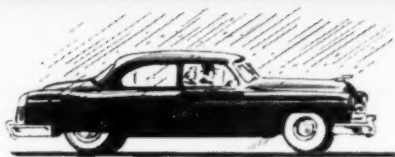
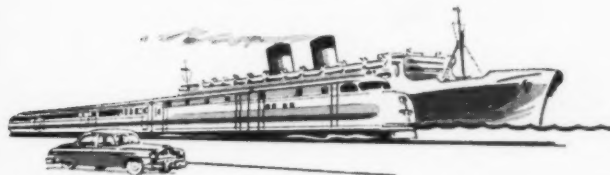
G. W. Ryan Now K. C. Agent

George W. Ryan, who for 15 years was an underwriter for American Automobile, has gone into the agency field doing business as Planco Agency at 1912 McGee street, Kansas City.

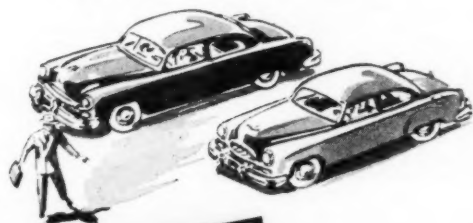
If your clients
have executives
who . . .



Travel by auto, plane,
ship or train



Drive when it sleets
or cross busy streets



Hunt bears in Nome
or just stay home



They all need

Ætna Key Man Accident Insurance

Business management today is increasingly conscious of this disturbing problem: No one is immune to accidents. At any time, disability may deprive a company of a key executive's services.

Frequently this means prolonged, high-bracket salary payments with no return. Often, too, a substitute must be hired, causing a heavy drain on the firm's earnings.

That is why it is so easy to sell employers Ætna Key Man Accident Insurance. These modern Personal Accident Insurance Plans have proved to be exceptional volume builders.

They fill a long existing need in nearly every type of firm. They are broad and flexible—easily adjusted to meet any company's particular requirements. They provide agents and brokers with the opportunity to make multiple sales for each solicitation.

The outstanding success many insurance men have already had with Ætna Key Man Accident Insurance clearly indicates the tremendous potential available for development. Your nearest Ætna office will be glad to give you full details on this profitable, easy-to-sell line.

ÆTNA LIFE INSURANCE COMPANY

Affiliates: Ætna Casualty and Surety Company
Automobile Insurance Company • Standard Fire Insurance Company
HARTFORD 15, CONNECTICUT



Dishonesty Insurance Field Rewards Enthusiastic Tiller

KANSAS CITY — Many reasons why dishonesty insurance should be sold at this time were given by Geo. F. Ainslie, Jr., vice-president of American Surety, who addressed the Casualty and Surety Sales Congress here Wednesday.

Mr. Ainslie said employees are now stealing from employers at the rate of at least \$500 million each year and that about 10% of the losses are covered by dishonesty insurance.

The 1952 embezzlement trend very definitely appears still upward, he said. In any reasonable size gathering of employers, the chances are good that they have at least one embezzler in their midst who is siphoning off their funds.

The more common methods of embezzlement are: Fake holdups, raising



Geo. F. Ainslie, Jr.

checks, padding payrolls, two sets of books, stealing materials, padding expenditures, not entering cash sales, I.O.U.s in cash drawers, charging inactive accounts, payments to fictitious firms, refunds on goods never returned, causing securities to "disappear," dead or fictitious men on payroll, raising invoices and checks after payment, extracting ledger sheets to conceal shortages.

The experience of American Surety, over the 68 years it has been writing dishonesty insurance, shows that many previously honest people will steal if they have the opportunity and when they feel strongly enough the pressure for more money. Often it is because of illness in the family and consequent unusual expenses. It may be caused by inflationary spiraling of legitimate expenses and not sufficient income to keep pace. Then there are those always trying to keep up with the well-known Jones family. Many have dipped in because of the age-old story of liquor, slow horses and fast women. Some

simply have a strong impulse to get rich quickly and find out they will never make it otherwise.

The prospects for dishonesty insurance are those who employ people—"your customers first, then those of the other fellow's who haven't sold it."

"If you spend a reasonable amount of time talking dishonesty insurance in the right places, you will sell a reasonable amount of it, if you are sold on it yourself," he counseled.

One of the best methods for selling dishonesty insurance to relatively small businesses, is for an agent or solicitor to carry a copy of his own bond on dishonesty insurance. "That is living evidence that you believe in the protection."

Dishonesty insurance should be considered catastrophe insurance and the amount of coverage should be reasonably sufficient to save a business should the unexpected happen.

Shocking Shortages

From the files of American Surety last month Mr. Ainslie listed these shortages and bond amounts:

Wholesale candy company, \$12,000 shortage, \$2,500 bond amount; farmers grain dealers association, \$6,762 and \$1,750; sectarian book concern, \$6,065 and \$2,500; automobile sales and services, \$25,000 and \$10,000; manufacturing confectioners, \$32,570 and \$10,000; oil company, \$9,648 and \$1,000; insurance company, \$8,732 and \$1,000; power company, \$8,140 and \$5,000; life insurance agency, \$19,902 and \$5,000; property management company, \$18,534 and \$10,000; forge company, \$43,733 and \$25,000; fraternal organization, \$17,610 and \$5,000; shipping company, \$18,044 and \$3,000; co-operative shipping association, \$14,766 and \$4,000; coal company, \$22,394 and \$15,000; Masonic club, \$13,881 and \$5,000; industrial loan company, \$93,172 and \$25,000; air field credit union (woman secretary), \$229,976.74 and \$50,000.

Recalls \$10 Million Loss

The largest dishonesty loss he said he could recall amounted to \$10,811,000. The defaulter was a secretary-manager of a building and loan association. The embezzlements occurred over a period of eight years. Averaged roughly, this was at the rate of \$25,000 weekly, \$110,000 monthly, or \$1,350,000 annually.

He said he would refuse to sell dishonesty insurance in very small amounts where he believed them to be entirely too low. Most concerns can absorb a few thousand dollars dishonesty loss. It is for catastrophic losses they will need protection. Dishonesty insurance in reasonable amounts is not expensive. It has saved many a business and should be saving many more.

Dishonesty insurance today is being sold almost entirely on the commercial blanket bond and the position blanket bond forms. An agent who understands these two forms will be well-armed to sell most any commercial, industrial or servicing concern.

Mr. Ainslie said 90% of all businesses are not now protected by dishonesty insurance and 80% of them have not even been asked to buy it.

Am. Fidelity & Casualty Gives Up the D. C. Battle

WASHINGTON — Following motion by D.C. Assistant Corporation Counsel Milton D. Korman to dismiss appeal of American Fidelity & Casualty from District Judge Morris' decision against injunction it sought to prevent revocation of the company's license by Superintendent Jordan, and exchange of correspondence with relation to the matter between Jordan and company counsel, the latter notified District officials they would withdraw appeal to the U. S. court of appeals.

The latter court held a hearing in which Korman argued the pending question was moot in view of the company request to Jordan for return of its application for renewal of license for the year beginning May 1.

Korman included a letter of April 29 from Jordan stating it appeared the company "may not be" in a state of compliance with requirements of the D.C. law. He said the law requires a stock company to have paid in capital of not less than \$150,000 and surplus of at least equal amount.

The American F. & C. statement for 1951 showed surplus of \$2,786,711, Jordan wrote. Its schedule of liabilities includes credit of \$102,000 for federal income tax.

As of Dec. 31, 1951, the letter continued, there was outstanding an internal revenue bureau tax lien against the company exceeding \$3 million. The company's oath declares assets described in its statement free and clear from liens and claims therein, except as stated therein.

It appeared therefore to Jordan, his letter said, that company failure to include the tax lien in its statement may constitute violation of its oath and of the fire and casualty act.

Surplus Less than Lien

Proper inclusion of the tax lien as a liability would "entirely exhaust" the surplus claimed, Jordan wrote, and impair the capital.

His letter further mentioned claims for taxes filed against the company by several states, including Illinois and Michigan, and a consent decree in Michigan, under which the company agreed to pay more than \$100,000 tax there. It did not appear to Jordan that any liability for payment of such taxes was included in the company statement.

That statement showed, according to the letter, 4,445 claims in litigation as of Dec. 31, which Jordan termed an "alarming circumstance."

Jordan said the company has not paid to the D.C. taxes it "sought to avoid" in its contract which resulted in the license revocation order against it. Nor has it paid the penalty due to failure to pay current taxes before March 1.

Under date April 30, S. Harrison Kahn and Richard W. Galliher, company counsel, wrote Jordan that American Fidelity & Casualty requested return of its application for renewal.

It was on that basis that Korman argued the appeal should be dismissed as moot. Appellate judges indicated they knew of no case like it. Counsel was allowed until May 12 to present citations. However, on May 9 counsel indicated they would notify the appellate court clerk of withdrawal of its appeal.

Gibbs to Executive Post for Texas Company Group

Joe P. Gibbs, who retired April 1 as Texas casualty insurance commissioner, has become executive vice-president of Assn. of Texas Fire & Casualty Executives. His duties will include studies of various forms, rating plans, experience data and public relations.

Mr. Gibbs is now living in his home town of Seguin, Tex., and he will establish an office there for the association. He will also continue to serve as chairman of the board of Nolte National Bank of Seguin.

In reporting progress on the construction of the new home office building of Shelby Mutual Casualty at Shelby, O., THE NATIONAL UNDERWRITER made the error of saying that 250 persons will be added to the staff when the move is made into the new building. What was intended was to say that the building is of such dimensions as to be able to accommodate a total of about 250 employees. Presently Shelby Mutual is using three buildings, two of which will be discontinued when the new one is completed.



Joe P. Gibbs

BUILD YOUR OWN ACCIDENT AND HEALTH AGENCY

Liberal General Agents Contract — Vested Renewal

Available to Experienced Accident and Health Men.

Broad coverage policies

Accident — Sickness — Hospital — Surgical — Medical

Ages 1 month to 65 years

Lifetime Accident — Non-Confining Sickness

24 Hour coverage — On or off the job

Never an increase in premium or

reduction in benefit

No termination age

Non-cancellable for premium paying period

TERRITORIES OPEN

Delaware
Dist. of Columbia
Illinois
Indiana
Kentucky
Maryland

Michigan
Minnesota
New York
Ohio
Pennsylvania
Texas

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Agency Department



17 E. Prospect Ave., Mt. Vernon, N. Y.

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FINANCIAL STATEMENT

Lumbermens *MUTUAL CASUALTY COMPANY*

Operating in New York state as (American) Lumbermens Mutual Casualty Company of Illinois

James S. Kemper, chairman

H. G. Kemper, president

MUTUAL INSURANCE BUILDING, CHICAGO 40

Statement at the close of business December 31, 1951, as reported to the Department of Insurance, State of Illinois

(All bonds amortized. Stocks at book value, which is less than market value. If all stocks were valued at market, assets and surplus each would be increased \$2,289,635.99.)

assets

Cash in banks	\$ 8,022,340.09
U. S. government bills, certificates and notes	42,401,021.92
U. S. government bonds	60,566,396.83
Canadian government bonds	2,482,614.54
State, county and municipal bonds	630,853.57
Public utility and other bonds	3,046,822.06
Stocks	5,653,526.01
First mortgage loans on real estate	472,961.93
Real estate (including company buildings)	9,864,403.11
Premiums in transmission	6,459,026.10
Accrued interest and other assets	782,690.76
Total admitted assets	\$140,382,656.92

liabilities

Reserve for losses and adjusting expenses	\$ 67,729,443.58
Reserve for unearned premiums	38,027,177.00
Reserve for taxes and expenses	6,481,814.51
Reserve for dividends to policyholders	9,144,221.83
Reserve for portfolio fluctuation	2,500,000.00
Reserve for contingencies	1,000,000.00
Total	\$ 124,882,656.92
Net surplus	15,500,000.00
Total	\$140,382,656.92

Paid for losses and returned to policyholders in cash dividends since organization more than four hundred eighty million dollars.

Securities carried at \$10,208,788.00 in the above statement are deposited as required by law.

Lumbermens *MUTUAL CASUALTY COMPANY*

Operating in New York state as (American) Lumbermens Mutual Casualty Company of Illinois

James S. Kemper, chairman

H. G. Kemper, president

Mutual Insurance Building, Chicago 40

BRANCH OFFICES • Atlanta 3, Kemper Insurance Building • Boston 16, 260 Tremont Street • Los Angeles 5, Kemper Companies Building • New Orleans 12, Hibernia Bank Building • New York 17, 342 Madison Avenue • Philadelphia 7, Philadelphia Saving Fund Building • San Francisco 4, Russ Building • Seattle 4, Dexter Horton Building • Syracuse 2, Syracuse-Kemper Insurance Building • Toronto 1, Concourse Building

Will you give

Sympathy

OR

CASH?

Polio is not only one of the most feared diseases, it is one of the costliest to treat. Words of sympathy are of little use to the family whose most urgent need is cash—and lots of it. May we send complete details about the \$5000 Medical Expense Polio and Dread Disease Plans listed at the right?

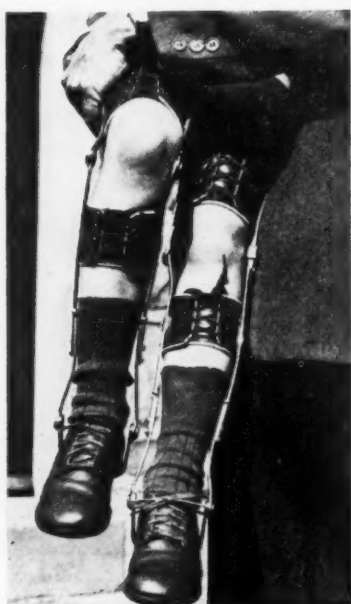


**American Casualty
COMPANY**

READING • PENNSYLVANIA

Fire Affiliate: American Aviation & General Insurance Company

1902 • FIFTIETH ANNIVERSARY • 1952



1952 PLANS

\$5000 DREAD DISEASE POLICY
(Polio, Leukemia, Encephalitis, Smallpox, Scarlet Fever, Tetanus, Diphtheria & Spinal Meningitis)

Family Policy	3 years	\$25.00
Family Policy	2 years	17.50
Family Policy	1 year	10.00
Individual Policy	3 years	12.50
Individual Policy	2 years	8.75
Individual Policy	1 year	5.00

\$5000 POLIO-only POLICY
Family Policy

Family Policy	3 years	15.00
Family Policy	1 year	6.00
Individual Policy	3 years	7.50

(Dread Disease Policy available in all states except New Jersey)

Agents Heard Pro and Con on Auto Merit Rating Idea

Agents and company men alike are showing considerable interest in the idea of a merit rating plan for automobile liability insurance. Since the suggestion was made by Superintendent Bohlinger of New York at Pittsburgh Insurance Day that the companies ought to be able to develop an acceptable merit rating plan, comment on the subject has been on the agenda of both agents' and commissioners' meetings. THE NATIONAL UNDERWRITER is presenting herewith two opinions from readers who have been following the arguments on this subject:

Each Driver Insures Separately

From A. W. Lorenz, Cleveland agent: I have read Mr. James M. Cahill's remarks with interest.

In my humble opinion, most accidents are caused by drivers, and only by knowing the drivers can we intelligently rate the risk. Let's not burden the public with a merit rating plan which has been tried and found cumbersome and costly.

Let's do a better job of evaluating the hazard and reduce our expense of doing business. Our base auto liability policy covering an automobile owner should show only the insured's name, address and occupation, and cover operation of any type of pleasure car, owned or non-owned.

For a reduced premium, any other member of the family or public can buy their own policy covering non-owned cars only.

Insurance departments seem to have accepted the theory that the use of an automobile should be considered in rating, also that the young individual is more hazardous. It shouldn't be too difficult to expand this theory that has been so well received by the public.

Local Agent Wants Action

From Harry C. Parrish, local agent of Paris, Ill.:

I have read with interest Mr. James M. Cahill's remarks on merit rating plans. I am a small town local agent and admit that I know very little about the theoretical side of rate-making and nothing about company management. On the other hand, I am a producer and directly interested in the results at this end of the business as they are determined by decisions made at the

top. In addition, I am in the peculiar position of being sympathetic with both my client on the purchasing side and my company on the underwriting side.

I have seen management make many strange decisions during those years and certain remarks in the April 10th article bear out the fact that at least certain branches of the companies' administration are still running around in circles. One of the standard attitudes of underwriters in any given line is that "We can't do that because we've never done it before." Mr. Cahill informs us that we have never had a successful individual auto merit rating plan and therefore we will never be able to have one. That doesn't exactly sound logical or conclusive. We never had Model-T's until Henry invented one. He states several reasons why an individual auto merit plan won't work and when you add them up the total is "too much trouble for the company!"

Poor Sales Psychology

When he does consider one or two plausible plans, he begins with the premise that first of all we must be sure the companies get their money. This is not only poor sales psychology but is a lurid example of weak policy-making and executive ability. There has been too much propaganda lately about the financial status of the companies. I know the companies are having a tough time from an underwriting profit angle. But instead of crying about it, why don't they keep quiet, find a solution, come to the agent and say, "O. K. here's what we're going to do." If the best plan they can offer the policyholder is to charge him an extra \$5 to begin with so that they can give him back \$4 of it later as a reward, it would be much better public relations to not mention the plan to begin with. In our office we represent only the best old-line companies, and they are all we ever hope to represent. However, we have seen mutual and non-conference companies write automobile insurance at lower cost than ours and while the old-line boys were screaming, "They'll never make it," they have grown larger and larger and larger. Why is that, Mr. Cahill?

I wonder if it isn't time for the insurance profession brass to pause, regroup, and reorganize. How about looking for a new approach to automobile insurance? Maybe we are going about it entirely wrong. In the past we have done some silly things. Why not try some more experiments? We inaugurated comprehensive material damage (to include glass breakage) at a modest premium and now don't understand why we are losing money.

"Still Only Average Risk"
At one point in his talk Mr. Cahill stated that "Even the risk that goes as long as nine or ten years without producing a loss is still only an average risk." This coming from an insurance executive sounds as though he has been sleeping with the policyholders who think an insurance policy is a repair and maintenance contract. We are in the insurance business. We take the policyholder's premium and promise that we will protect him from loss for the term of the policy. How could we with any sanity say that if he has one loss in ten years he is an average risk. A man who buys a policy for one year and pays the premium is an average risk—claim or no claim.

I am only suggesting that the industry really look into the automobile insurance situation and try to come up with some new feasible plan of premium reduction for the insured who is careful. How about deductible liability insurance using current rates for full coverage and lesser rates for the deductible? How about not writing 'teen-agers—PERIOD? How about further public education on safe driving and drivers' training schools and their eventual reflection on automobile premiums? The surface hasn't been scratched in this direction. How about a nation-wide contest among agents with a \$25,000 first prize for the one who comes up with a workable solution for the problem?

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The
NATIONAL MUTUAL
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Celina, Ohio

Strictly an Agency Company

FOR



ACTION

THAT BRINGS

SATISFACTION

*A Progressive Company
for Aggressive Agents*

FIRE; INLAND MARINE
ALLIED LINES

AFFILIATED
WITH
The
**CELINA MUTUAL
CASUALTY COMPANY**
Celina, Ohio
Automobile and
Casualty Lines

*Selling Tools for Any
Selling Task*
With sound Protection
at a
Savings to Policyholders

Minn. Judges Differ on Disclosing Auto Insurance

District judges of Minnesota disagree on the issue whether a defendant in an automobile injury suit can be forced to divulge to the plaintiff the existence and extent of his liability insurance. The question has come up under the new pre-trial conferences now being held in Minnesota courts in an effort to speed up litigation, especially automobile cases.

In a pre-trial interrogatory in his court, Judge Pearson of Ramsey county (St. Paul) held the amount of insurance need not be disclosed. "The only decisions requiring disclosure of insurance are those in California and Tennessee," Judge Pearson said. He added that decisions in those states are not recognized in Minnesota.

At Minneapolis Judge Knudson ruled that the request of the attorney for the plaintiff that the defendant produce his insurance policy was legitimate and that such knowledge could help to bring about a settlement of the case.

"Knowing the limits of an insurance policy may assist counsel in evaluating their cases," Judge Knudson said.

But Judge Pearson takes the stand that such knowledge also could work to block a settlement. In the event the coverage was well in excess of the claim, he contended, it could easily influence a plaintiff to hold out for a larger settlement that might be merited.

The question may have to be settled by the supreme court.

Ill. Insurance Undertaker Makes Progress on Corpses

In a current report to Insurance Director Day of Illinois John M. Daley, special deputy in charge of liquidations, states that nine pending insurance company liquidations will be wound up by the end of this year.

These include Builders & Manufacturers Casualty, final distribution of which will be made within approximately six weeks. There has just been obtained a \$97,000 final settlement in connection with reinsurance held by B. & M. and this will make possible a final dividend estimated at 20% on allowed general claims, in addition to 30% already distributed.

Mr. Daley said all other liquidations begun prior to 1950 will be completed by the end of this year. This will leave, in the liquidation division, the cases of only a few companies put in liquidation in 1950 and early 1951. Principal ones of these are U. S. Mutual, Progress Ins. Assn. and Great Lakes Automobile Ins. Group.

Extensive litigation, including a criminal action, is pending as to U. S. Mutual. Mr. Daley said so few assets have been located for Progress and Great Lakes that it is doubtful whether there will be anything for claimants. The Progress insolvency involved criminal fraud and the president was successfully prosecuted in criminal court.

Surety Association Staff Re-elected at Annual Parley

Martin W. Lewis was re-elected general manager of Surety Assn. of America at the annual meeting at New York. John L. Kirkwood and E. Vernon Roth were re-elected secretaries.

In accordance with an established plan of rotation of membership, the association, which comprises 69 companies engaged in fidelity, surety and forgery bond underwriting, elected the following companies to the executive committee: Aetna Casualty, American Surety, Fidelity & Casualty, Fidelity & Deposit, Fireman's Fund Indemnity, Glens Falls Indemnity, Great American Indemnity, Hartford Accident, Massachusetts Bonding, National Surety, Springfield F. & M., Standard Accident, Travelers Indemnity, U. S. Casualty, and U. S. F. & G.

At a subsequent meeting of the executive committee the following additional officers were re-appointed: Assistant

secretaries: Elmer C. Anderson, John F. Fitzgerald, Philip T. Morehouse, Peter A. Zimmermann, and William J. Zimmermann; educational director, David Porter; actuary, N. M. Franklin; engineer, Edward R. Higgins.

The progress of the association during the year was outlined in the report of Mr. Lewis, who commented on the work of the committees, the results of the public relations and educational program, and the year's developments in the various branches of the surety business.

"Preliminary advices concerning 1951 results," Mr. Lewis said, "indicate that

it was not a good year for the fidelity-surety business. It is too early to attempt to predict what the year 1952 may develop, but current trends are not reassuring."

Powell Made Wash. Special

Hartford Steam Boiler has appointed John R. Powell special agent in Washington, with headquarters at Seattle. Mr. Powell has been with Washington Insurance Examining Bureau.

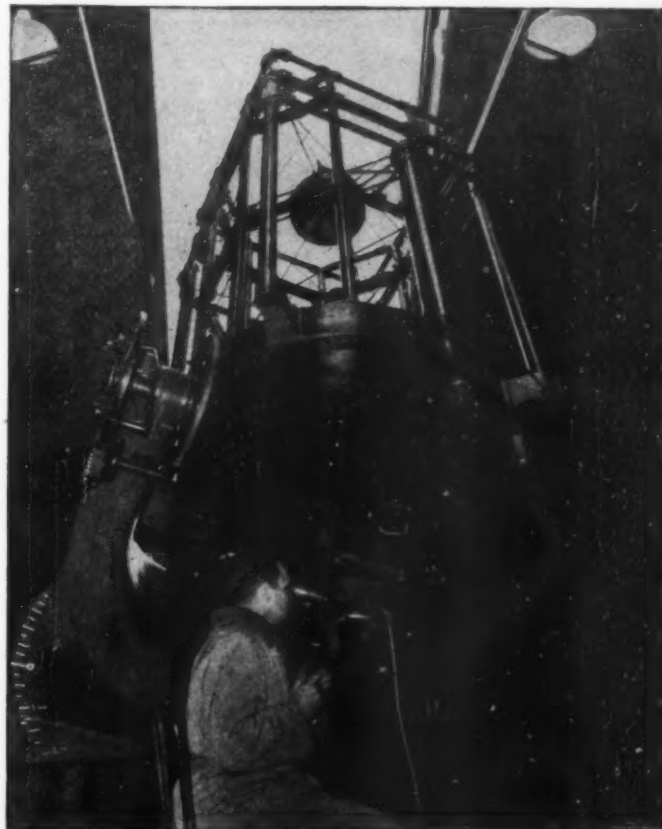
Central Surety Makes Gains

Central Surety has published its first

quarter results showing assets at March 31 of \$19,240,791, capital \$2 million and net surplus \$3,772,187. The net premiums written for the quarter were \$3,050,897, which was an increase of \$196,233. The premium reserve was \$146,305 higher, and there was an increase in surplus of \$146,993.

P. L. McIntosh, who retired as special agent of Hartford Fire at San Antonio in 1947, and since then with the Richard Gill Co. agency, has returned to his old home at Wesson, Miss., because of his health.

OFFICIAL
U. S. NAVY
PHOTOGRAPH



EVERY HOUR ON THE HOUR
SINCE 1913 the Naval Observatory has
broadcast the correct "time
from the stars"—to keep a nation's
watches synchronized.

ACCENT ON DEPENDABILITY

Over 9,000 insurance agents and brokers know they can depend on F&D...

- for practical, on-the-spot help from F&D's field men—in mapping resultful new-business programs—in meeting customers' bonding needs with professional competence... in closing sales
- for prompt and fair settlement of all claims
- and for all the other advantages of representing a company which for 62 years has specialized in fidelity and surety bonding.

If you are interested in increasing your bonding business, investigate F&D's facilities—now.



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

Dorsett Suggests Human Engineering Safety Technique

RICHMOND, VA.—The future pattern of preventing accidents on the highways and in industry may need increased emphasis on human engineering as a new safety technique that will "save people from themselves" by dispelling the notion that they "lead a charmed

life," the Virginia state safety conference was told here by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies.

Noting that 93,000 Americans were killed and another 9,100,000 were injured in accidents that cost \$8 billion in 1951, Mr. Dorsett said the greatest problem confronting the safety movement is the task of "selling individual responsibility" that will prevent accidents.

"We must bring into the consciousness of our fellow Americans that not mere statistics were killed, it was people," the speaker declared.

Mr. Dorsett emphasized that the tried ways of making highways safe eventually get down to the individual, who then "applies them to the man who lives across the street." The speaker said the individual is not yet willing to accept the premise that driving a motor vehicle is a privilege which he retains only as long as he uses it reasonably, and not a right which is guaranteed by the constitution.

"Only in such a psychology," he added, "can we account for the shrugging off of annual casualty list of death in the tens of thousands, injuries in the millions and property damage in the billions. Ours, then, is not merely a search for a sliderule formula—ours is a research assignment in human relations—to attain application of the dangers from traffic accidents to the individual and in so doing to develop an improved attitude toward highway safety so that the words 'I am a safe driver' will bespeak prideful performance rather than a back-slapping platitude.

"Naturally we cannot toss out the window all the technological safety advancement of the past, nor can we cease to expand our efforts to improve the machines and the methods. However, we may well find it necessary to shift our emphasis from mechanical engineering, or even from safety engineering, to human engineering if we expect to get to the heart of our greatest problem. While our future pattern may rest in the hands of the sociologist and the psychologist, I cannot help but foresee some of the courses we can follow. Safety can never become a continued reflex. As long as intelligence is a factor, man must use that intelligence to keep himself safe in any given situation."

Among the future courses in safety to be pursued, Mr. Dorsett outlined: Persistence in telling the safety story again and again, trying only to dress it in the latest fashion; research into new fields of human reaction to determine why people do what they do in accident-potential situations; specific action in every phase of safety.

Ohio Casualty Field Men To Elect June 6

Casualty & Surety Field Club of Ohio will hold its annual meeting at Groveport Country Club June 6. Recommended by the nominating committee for election as new officers at that time are: President, Donald Sandman, American Automobile; vice-president, Herbert Hardisty, Ohio Casualty; secretary, Robert Davis, Buckeye Union Casualty; treasurer, Ted Mathers, Republic Indemnity. Louis Koch, Hoosier Casualty, is retiring president.

American Casualty Names C. J. Henry at Cleveland

Chris J. Henry has been named resident manager at Cleveland for American Casualty companies.

Mr. Henry has been engaged in the casualty business for 20 years with the exception of 3 years in the army. He was originally in charge of casualty underwriting in the company's New England department in Boston. He subsequently became manager of the New England department prior to his transfer to manager of the A. & H. department at Pittsburgh.

Milton Warren, who has been with the insurance department of Van Schaak & Co. of Denver, will open his own agency June 1 in the Midland Savings building.

National Bureau Names Committees

At its annual meeting, National Bureau of Casualty Underwriters appointed its several committees. They are as follows:

Legal: Aetna Casualty, American, Century Indemnity, Fidelity & Deposit, Hartford Accident, London Guarantee, National Surety, Royal-Liverpool, Travelers, and U. S. F. & G.

Actuarial: Aetna Casualty, Hartford Accident, Royal-Liverpool, Travelers and U. S. F. & G.

Statistical: Aetna Casualty, Commercial, Fidelity & Casualty, Hartford Accident, Maryland Casualty, National Surety, New England, Royal-Liverpool, Travelers and U. S. F. & G.

Automobile rating: Aetna Casualty, American Surety, Fireman's Fund Indemnity, Maryland Casualty, New Amsterdam Casualty, Royal-Liverpool and U. S. F. & G.

Boiler and machinery rating: American Guarantee, Fidelity & Casualty, Hartford Steam Boiler, London Guarantee, Maryland Casualty, Ocean Accident, Royal-Liverpool, and Travelers Indemnity.

Burglary rating: Aetna Casualty, Fidelity & Deposit, Glens Falls Indemnity, National Surety, New Amsterdam Casualty, Royal-Liverpool and Travelers Indemnity.

General liability rating: Aetna Casualty, Fidelity & Casualty, Glens Falls Indemnity, Hartford Accident, London Guarantee, Royal-Liverpool and Travelers.

Glass rating: Century Indemnity, Fidelity & Casualty, Hartford Accident, London & Lancashire Indemnity, New Amsterdam Casualty, Travelers Indemnity and U. S. F. & G.

Resident water damage and explosion rating: Aetna Casualty, Fidelity & Casualty, Hartford Accident, Maryland Casualty and Travelers.

Professional liability rating: Aetna Casualty, Commercial, New Amsterdam Casualty, and U. S. F. & G.

Insurance Assn. of Los Angeles will hold its annual golf tournament at the Fox Hills Country club May 16.

DEATHS

(CONTINUED FROM PAGE 25)

derwriters in 1920, in charge of the Atlanta branch of the special risk department. He was a graduate engineer of Virginia Military Institute and had been an engineer for Southeastern Underwriters Assn. for some years previous to 1920. From Atlanta, he was transferred to the home office and was elected assistant secretary in 1927; secretary in 1937, and vice-president in 1941.

ROBERT G. MCCARTHEY, vice-president in charge of Marsh & McLennan's Tulsa office, died Sunday at the age of 56, following a brief illness. He had been with M. & M. 30 years. He started in the fire engineering department at Chicago, later transferred to Minneapolis, and in 1930 established an office at Tulsa.

HERBERT A. PERK, 63, a member of the Perk Brothers agency at Los Angeles, died following an extended illness. Mr. Perk and his brother, Harry Perk, Jr., who survives, founded the firm in 1918. Harry Perk has been prominent in local, state and National associations, having served two terms as a member of the executive committee of the N.A.I.A. Herbert Perk was a past president of the Isaak Walton League.

S. GORDON JONES, 55, local agent of Wallace, N. C., died unexpectedly at his office.

JOSEPH W. HOBAN, 80, Wilkes-Barre, Pa., local agent, died there. He founded his agency in 1899.

ESTHER G. BOSTOCK, who was with the Seattle office of Boston-Old Colony, died there. She was active in the women's insurance association.

A. Z. FULFICK of the Fulfick & Son agency, Sinton, Tex., died. The agency will be continued by his son, Ed Fulfick.

Service Casualty in Lodge

Service Casualty has been elected a member of Assn. of Casualty & Surety Companies, bringing the roster to 110.

New officers of Insurance Women's Club of Washington will be installed at a joint meeting with clubs of Baltimore and northern Virginia, May 19. They are: President, Mrs. Cleo B. Hamerski; vice-president, Mrs. Nellie A. Casey; recording secretary, Mrs. Anne Wallace; corresponding secretary, Mrs. Harriet B. Total; treasurer, Mrs. Mabel C. Higden.

Multiple line underwriting calls for a review of your Reinsurance requirements. Our trained staff can be of valuable assistance in helping to work out your problems.



AMERICAN
REINSURANCE Group

99 John Street, New York 38, N. Y.

Casualty • Fidelity • Surety • Fire • Marine
and Allied Reinsurance

Teamwork that Works



When your Boiler and Machinery Insurance is with

Hartford Steam Boiler, our organization of specialists is

a member of your team:

- skilled underwriting
- and aid in expanding your business;
- expert inspection
- to reduce likelihood of accidents;
- prompt handling
- of claims.

These are reasons why more agents and brokers place more Power Plant Insurance with Hartford Steam Boiler than with any other company.

Estab.



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The
HARTFORD STEAM BOILER
INSPECTION
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in power plant insurance

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CHANGES IN CASUALTY FIELD

General Re Names Madigan, Smiley as Vice-presidents

General Re has appointed John P. Madigan and Ward M. Smiley vice-presidents in the fidelity and surety branches.

Mr. Madigan has been with Maryland Casualty as assistant manager of the New York office and manager of the New York bonding department. A graduate of Fordham law school, he started in insurance in 1925 with Union Indemnity. In 1934 he was made manager of the blanket bond and fidelity department of Fidelity & Deposit and five years later was named assistant manager of the New York office. He is a past president of Surety Managers Assn. of New York and of Surety Underwriters Assn. of New York.

Mr. Smiley, assistant vice-president of General Re since 1946, started in the business 25 years ago as a bonding claims engineer with Southern Surety after extensive experience in the construction field. He was successively a supervisor of bonding claims with National Union Indemnity at Pittsburgh and manager of the bonding division at Columbus, O., for Home Indemnity. In 1937 he joined Mellbank Surety of Pittsburgh as a vice-president and remained as vice-president and chief operating officer in the successor company, Mellon Indemnity.

Hartford Accident Names Three in Southern Changes

O. B. Sparks has been named superintendent of the casualty department at Atlanta for Hartford Accident. He has been bond supervisor there.

Mr. Sparks joined Hartford Accident in 1941 and served as a special agent in North Carolina and Alabama.

W. H. Moore, bond special agent at Birmingham, succeeds Mr. Sparks as bond supervisor at Atlanta office. He will assist Robert J. Prentiss, associate manager at Atlanta.

Robert F. Cole, a graduate of Florida State University, has been appointed bond special agent at Birmingham.

New National Casualty Ill. Branch; Patton Manager

National Casualty Co. has opened a mid-western casualty division branch office at Springfield, Ill., in charge of Ralph L. Patton. Mr. Patton attended Creighton University and Lincoln College law school. Since discharge from service he has served as a casualty special agent in central Illinois for W. A. Alexander & Co., general agents of Fidelity & Casualty, and later as manager at Springfield.

This is the second mid-western branch office opened since the first of the year, the first being at Cleveland in January. Additional offices are contemplated in Indiana, Michigan and Wisconsin.

Ramsey to Love-Haskell

James K. Ramsey has joined Love-Haskell Co., supervising general agent for Employers group companies at Omaha, and will travel Nebraska and the western half of Iowa as state agent. He formerly was with American Surety and is a graduate of University of Minnesota.

Kennedy V.P. of Citizens

R. J. Kennedy, in charge of the fidelity and surety operations of Citizens Casualty, has been elected a vice-president. He has had 38 years in the bonding field, all of it with Preferred Accident until he joined Citizens. He is a

former director of the Bureau of Contract Information.

Preliminary work has been completed and Citizens now is actively in the bonding field.

Keating to Western Pacific

Western Pacific of Seattle has appointed Robert C. Keating home office claims supervisor.

Before army service Mr. Keating for three years was with Arthur E. Campbell-Husted Co., independent adjusting firm of Seattle. For the past six years he has been Seattle claims manager for Ohio Casualty.

Vollmer to Mountain Field

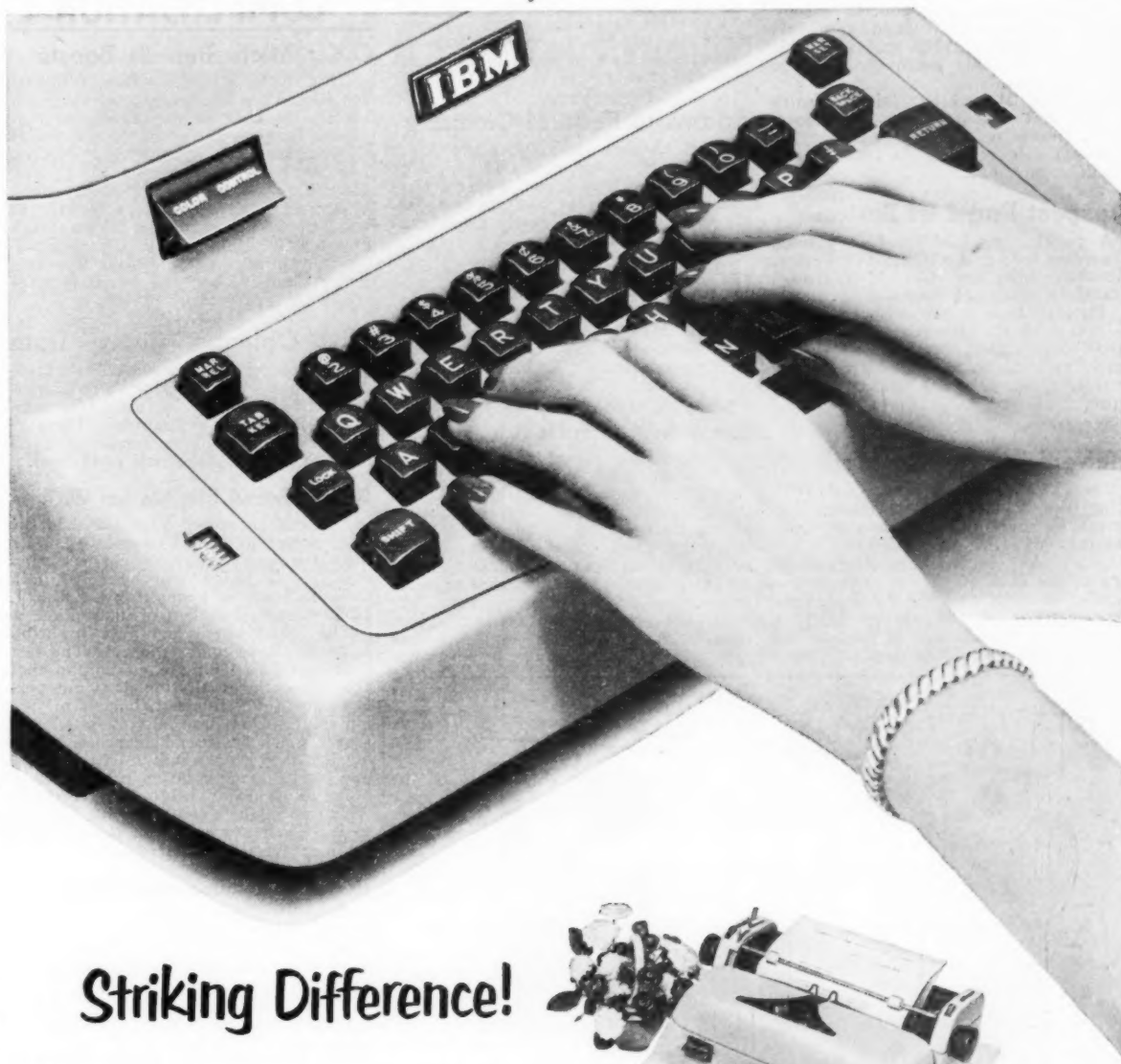
Donald C. Vollmer has been transferred by Great American Indemnity from Illinois to the Rocky Mountain field, where he will have charge of the operations in Colorado, New Mexico and Wyoming.

National Bureau Executives Reelected at Annual Meeting

NEW YORK—At the annual meeting of National Bureau of Casualty Underwriters here, William Leslie was reelected general manager and James M. Cahill secretary.

American Surety, American, Hartford Accident, New Amsterdam Casualty and Standard Accident were elected to the executive committee.

Other officers at headquarters were reelected.



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ACCIDENT AND HEALTH

Provident Mutual to Enter A. & H.

Provident Mutual Life is entering the accident and health insurance field, the company's general agents were told at a meeting of their organization at Philadelphia last week. Thomas A. Bradshaw, vice-president and general counsel, said the company will offer non-cancellable participating policies as soon as necessary arrangements and approvals can be completed. He said that this would be probably some time in the spring of 1953.

Provident Mutual has joined Health & Accident Underwriters Conference. E. D. Armantrout, associate actuary, is in charge of developing the accident and health department.

Prospect Panel at Boston

A panel comprised of Lex Mahan, Provident Life & Accident; Ted Weber, Monarch Life, and Gordon Winslow, Travelers, discussed prospecting for A. & H. insurance at the meeting of the Boston A. & H. Insurance Assn. President John Rudell, Massachusetts Casualty, acted as moderator. The Frank Bettger film, "How I Raised Myself From Failure To Success In Selling," was shown.

McNeill in New Quarters

The C. W. McNeill agency of Provident Life & Accident at Boston has moved to new and larger Boston headquarters suite 707, 79 Milk street.

Clifton W. McNeill, fourth generation of the McNeill family to be prominently identified with the A. & H. business, established the agency in 1948. His family's background in the business dates back to 1883 when his great grand-

father, George E. McNeill, established one of the first disability insurance companies in the country.

Prior to opening his own agency, Mr. McNeill was a vice-president of Union Mutual Life. He has been in field and home office work for 20 years. Mr. McNeill has established Provident L. & A. agencies in Rhode Island and Maine.

New York Outing May 22

A. & H. Club of New York on May 22 will conduct its annual outing at Country Club of New Jersey, Rivervale. Arnold Danckwerth, Mutual Benefit H. & A., is in charge of the outing.

Adams to Federal Casualty

H. R. Adams, who for many years was A. & H. manager of Old Line Life of Milwaukee, has joined Federal Casualty of that city as agency manager. He will supervise the newly established newspaper department.

Hear Knight at Detroit

Harlan L. Knight, agency vice-president of Massachusetts Protective and Paul Revere Life, spoke at the May 13 meeting of Detroit Assn. of A. & H. Underwriters.

Driver Education for Adults

"Driver Education for Adults," a 16-page publication of the Center for Safety Education, New York University, describes briefly various types of programs for the training of adult drivers. These include public programs, such as evening school courses, traffic court schools, and programs for training school bus drivers; and private offerings, like commercial driving school courses, Y.M.C.A. classes, the 8-hour refresher course sponsored by insurance

agents' associations, and the advanced training programs of transit systems and commercial fleets. The booklet also lists selected training films and publications that can be used in the development of local programs.

The center is making 10,000 copies of the booklet available to state agencies concerned with traffic safety and driver education. Individual copies may be secured from the Center for Safety Education at 15 cents per copy, which includes postage.

COMPENSATION

O.K.s Mich. Benefit Boosts

LANSING, MICH. — Gov. Williams has signed the bill increasing maximum benefits payable to dependents of employees dying as the result of compensable accidents or occupational disease. The maximum ranges from \$28 to \$36, according to number of dependents. Minimum death benefits are boosted \$3 weekly, with the minimum varying from \$16 to \$24. Employees totally incapacitated by injuries get the same increases under the new law and burial benefits are boosted to \$400 from \$300.

Give Ohioans "Comp" Data

A one-day school on workmen's compensation will be held May 16 at Columbus, O., sponsored by domestic companies, both stock and mutual. The purpose is to inform key men as to facts regarding the monopolistic state fund.

School Board Eligible for W.C.

St. Louis board of education has the legal power to place its employees under the Missouri workmen's compensation act, Circuit Judge Murphy ruled in a "friendly" action brought by Philip J. Hickey, superintendent of instruction.

The board voted last July to bring 5,179 employees under the act. The test case was based on the contention that the Missouri constitution does not permit use of tax funds to benefit private individuals. It was also pointed out that if the board members proceeded illegally, they themselves might have to pay for the compensation program.

Judge Murphy said the secretary-treasurer might negotiate with insurers to work out the details of the compensation program for the schools.

Requires Remuneration Rider

Superintendent Leggett of Missouri has ruled that a trainee remuneration endorsement must be attached to all workmen's compensation policies where the employer has installed a veterans' on-the-job training program.

Two Admit Fake Auto Claims

BUFFALO—Two of 14 persons indicted in connection with losses incurred by insurance companies through allegedly fake auto damage claims pleaded guilty to a charge of conspiracy in county court.

They were continued on \$5,000 bail pending sentence at a later date. Tobey Pellicci of Rochester was accused of attempting to get \$1,190 from Travelers, while W. J. Marrone, Jr., of Elmira, was indicted for trying to obtain \$1,099 from Fireman's Fund Indemnity. The other 12 defendants are scheduled to be tried soon.

District Attorney Steele said the investigation, begun back in January, is still being carried on.

G.A.B. Names Four on Coast

Earl F. Cooley, manager at Eureka, Cal., for General Adjustment Bureau since 1950, has requested that he be returned to Arizona on the advice of his physician and has been named manager at Globe, Ariz., replacing L. E. H. Huber, retired. William P. Tuggle of the San Francisco office succeeds Mr. Cooley at Eureka. He has been with G.A.B. since 1950.

At Globe, A. B. Taillard has been named casualty adjuster to assist Mr. Cooley. He had 17 years of law practice before becoming an adjuster, and was with an independent organization before going with G.A.B.

William C. Prince of the Stockton office has been named manager at Flagstaff, Ariz., replacing J. A. Colburn, who is being transferred to Los Angeles. Mr. Prince has been in the adjusting field since 1942 and has been with G.A.B. at Stockton since 1946. Before that he was with Employers Liability.

Mission Indemnity Ready

Mission Indemnity of Pasadena has applied to the California department for license to write automobile material damage insurance in California. It has just recently been formed and qualified. It has an authorized capital of \$1,000,000, but has issued only 125,000 shares of \$1 par value at \$2 per share, giving it \$250,000 paid in capital with which to begin operations. Sewall Brown of Pasadena is president.

ASSOCIATIONS

Pa. Claim Men Prepare for Annual Parley June 13-14

Pennsylvania Claim Men's Assn. has slated its annual meeting for June 13-14 at Bedford Springs. A. J. Killard, Zurich, is president and will be in charge. Speakers on the program are Attorney Lee McCandless of Butler; Peter Conway of Eureka Casualty; Dr. Floyd H. Bragdon of Pittsburgh; Col. C. M. Wilhelm of Pennsylvania state police, and James E. Gheen, humorist.

Ohio Annual Meeting May 19

Ohio Assn. of Casualty & Surety Managers will hold its annual meeting May 19 at Columbus.

Hear L. A. Police Lieutenant

Lt. Chester E. Wolfrum of the Los Angeles police department talked before Casualty Insurance Adjusters Assn. of Southern California on "Mutual Problems in the Field of Traffic Investigation." He said the traffic bureau will cooperate with the adjusters in solving all the problems that come up. He said that a new accident report form is about ready to be issued.

Doctor Milwaukee Speaker

Dr. David Ansfield will discuss "The Doctor and the Workmen's Compensation Act" at the May luncheon meeting of Wisconsin Casualty Adjusters Assn. at Milwaukee. It will be the annual meeting.

Bleil Baltimore Manager

The John Roane insurance adjusting firm of Baltimore has named C. E. Bleil as manager of the Baltimore office. He is a graduate of the University of Baltimore law school and entered the adjusting field in 1930 with Indemnity of North America, becoming Baltimore claims superintendent. Before joining the Roane organization he was at the home office of Ohio Casualty as special claims representative and attorney.

Charles W. Moore is in charge of the fire and inland marine department at Baltimore.

Warns Against Rebates in Neb.

Director Laughlin of Nebraska has sent a letter to all insurers warning against violation of the state's anti-rebate law.

The letter referred particularly to the practice of promising dividends, either as an inducement to insurance or to encourage cancellation of existing coverage. Mr. Laughlin said that licenses of violators will be revoked for the maximum period of time.



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When practices spread, T and brings ness. Also ing compa best premi rates are t Companies tlements in If inadeq company f especially in tion line, i more peopl er a rate to is 2% or 3 and whethe become ex tectio to by the co mutuals, an on a partici missioners' ment to Na rates are a sound basis

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Trend Fac

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Casualty Rating Errors Breed Crises

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will make this come about at least to a moderate degree within the next few years. There is a New York control of rates that unfairly creates distrust and that probably is not realized by the New Yorkers themselves.

When rates are too high, unsound practices in competition become widespread. This destroys public confidence and brings discredit to all in the business. Also the mutuals and direct writing companies capture millions of the best premiums. On the other hand, when rates are too low the markets freeze. Companies tend to tighten up on settlements in order to save a few dollars.

If inadequate rates continue there are company failures. A company failure, especially in the liability and compensation line, is far more important to far more people than worrying as to whether a rate to employers for compensation is 2% or 5%, or even 10% too high, and whether the liability or other rates become excessive. There is ample protection to the public from overcharges by the competition of direct writers, mutuals, and stock companies operating on a participating plan. Insurance commissioners should lend every encouragement to National Bureau to see that its rates are constantly maintained on a sound basis.

Laments California Backdown

Mr. Reynolds lamented the withdrawal on the part of the National Bureau of its high excess limits table that was filed in California. The filing was justified, he said, but he declared that before it was made there should have been a two or three weeks' public relations period in which the excessive verdicts that are being awarded should have been publicized. The insurance commissioner should have been briefed on the problems. He said he doesn't criticize Commissioner Maloney for asking a public hearing. Rather than face such a hearing the bureau withdrew the rate on the theory that this would have been a long drawn out procedure. However, he said, the amount of premium involved to all of the companies that have been losing heavily on the excess portion of the premium would have well justified the time and expense of such a hearing.

The casualty business has a big problem in getting a true experience to establish correct excess liability tables. For years there were so few excess losses that the companies did not keep accurate records. Those companies that have hand-audited their loss register cards have proved that the experience produced by National Bureau for excess losses is hopelessly inadequate and in error.

Trend Factor Is Cited

It will be another two or three years before statistics on excess losses will be fully and accurately developed. Excess loss cost is jumping about 20 points a year and any rate must include this trend factor. With many of the excess losses charged to the primary portion of the premium, the effect is to overrate the primary for the benefit of those that purchase excess limits. Mr. Reynolds at this point waxed a trifle political, saying that "you gentlemen as brokers, the agents and all the agency companies have lost millions of dollars in premium income to direct writing companies because of this careless procedure which has resulted in the bureau overcharging the laboring man and the small farmer to the benefit of the rich."

There are gross inequities in the rates, he charged, due to the fact that National Bureau handles its rates on a national rather than a regional basis. He said that San Francisco has been underrated for many years because of the astounding size of the verdicts of its courts and juries. In Oregon, he said, the rates on logging trucks as established by the bureau are too low and the reciprocals and independent

companies have rates that are higher than those of the bureau.

Since 1946, reinsurance companies have been raising rates on individual treatyholders on the same basis on which National Bureau operates—looking at the experience of past years, he said. During that time, excessive verdicts, particularly in California and in New York, have continued to rise rapidly, and to increase in number.

Asks Standard Reinsurance Rates

"The rates I have seen quoted by reinsurance companies today, on both liability and compensation lines, are based on the worst experience that the reinsurer can develop for the primary carrier. Where one year's experience produces a higher ratio than two, three or four years' experience, the one-year experience is used. If the two, three or four year experience produces a higher ratio, then that period is used as a base for estimating pure losses. The quotation is then amply loaded to take care of the constantly rising trend, plus a profit margin. An additional loading, particularly burdensome to the smaller company, is added to produce a substantial book for each company. This is obviously an abandonment of all theories of spread of risk, an essential element of true insurance. Two of the larger companies would not consider any casualty business, and one of them has canceled a large number of treaties that have been on their books for years.

"I do not believe that the American reinsurer should secretly negotiate with each company, but should have a fixed excess rate for the various classes of business, to cover losses for smaller companies in an amount over \$25,000, and for larger companies in an amount over \$50,000, \$75,000 or \$100,000. This rate should be realistic, and should be subject to change with all policyholders at any time the experience warrants it. It should not discriminate against smaller companies, which on the average are bound to produce a smaller number of excessive losses. The rate should be broken down by private passenger automobiles, commercial automobiles, short-haul and long-haul trucks and buses, and O. L. & T. and M. & C. liability risks. Until the American casualty reinsurance market has adjusted itself so that all of the reinsurance companies are again freely accepting business, I hope the insurance commissioners will take no steps to impair the usefulness of the Lloyds reinsurance market.

"Because of the present method of cost-plus rating on the part of the reinsurance companies, with a book established on one company, and because of the hazard of inflation, my own company is very generally retiring from the field of compensation, in which we have been writing less than \$2 million in premiums per year.

Wants States to Probe

"I think the department should make a study, by having an examiner visit the home offices of the principal reinsurers, to review their serious claims. They will be amazed at the number of cases unreported and unreserved until many years after the accident.

"The annual statements of the five leading California stock casualty companies showed an underwriting loss for the year 1951 of almost \$8 million. In my opinion, this loss was caused primarily by inflation, and by the fact that you have a very liberal compensation act, inadequately rated, and the most liberal courts and juries in the U. S. Under a law that provides full and complete lifetime medical care, with medical and hospital costs raised by inflation, compensation claims run into astronomical figures. I have reviewed one claim for a paraplegic where the estimated medical cost alone totals \$158,000. Medical costs will continue to spiral with spreading inflation. The laws providing this type of long-time payment can ultimately break every company assuming

these liabilities, if inflation continues. If Congress, the legislatures and the labor leaders are sincere in wishing to protect these people for life, the entire award, including the medical, possibly should be converted into a fixed amount of money—probably within three years after the date of the accident. It could then be reserved accurately. A reserve of this type could be set up promptly, so that it would get into the figures on which rates are based, and it would be realistic. Reinsurance rates could be accurately figured for various excesses,

and the injured person would continue to receive a lifetime benefit.

"All companies and the State Fund should add to the medical portion of all of their reserves on long-time cases, an inflation factor of at least 4% a year. These reserves should be set up promptly, so that they will be incorporated into the rating structure.

"Fortunately, the majority of your California companies have most of their excess losses and long-term losses re-insured in well-capitalized American stock companies. If this business had

(CONTINUED ON PAGE 39)

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IOWA AGENTS ELECT LANE

(CONTINUED FROM PAGE 1)

works within the state. Under the present law surety bid binds cannot be used, only certified checks.

Retiring President Tesmer in his report also attacked "the imminent threat of compulsory insurance and eventual state funds as more serious than I can possibly describe."

"The experience in Massachusetts has been most unsatisfactory for all—agents, companies and insured," he said. "This countrywide disease which would destroy us must be fought with every ounce of resources you can muster."

Mr. Tesmer reported that the Iowa association had gained 82 new members the past year, bringing the total to an all-time high of 638 members. Attendance at the convention also reached an all-time mark, with registration exceeding 400.

Interest in Legislation Urged

Clark McNeal of Belmond, chairman of the legislative committee and a member of the legislature, made a dramatic talk on the need for a stronger legislative program, telling the agents that too many "were afraid to mix into politics."

Mr. McNeal, who introduced and succeeded in obtaining passage of an agents qualification bill in the house at the last session only to have the bill die in the senate, told the agents that they had failed to explain the merits of the measure to the senators.

He promised that he would again introduce a qualification bill in the 1953 legislature. He declared that any attempt to introduce a compulsory auto insurance bill must be defeated and that the present coinsurance law "has to be taken off the books as it is a silly proposition."

Hall Says Answers Will Be Found

J. Dillard Hall, associate agency director of the U. S. F. & G., opened the program with a talk on "Agent in Wonderland." He said that he had "never seen problems as those that face the agents of today" but predicted that the answers will be found. He used a local newspaper to illustrate the various coverages that can be sold by the agents. He picked out various items in the paper to show 36 various coverages that could be sold by the agents.

George C. Whitmer, manager of Iowa Inspection Bureau, said the bureau is now receiving approximately 2,500 inspection reports daily but that 10% contain errors, with about half of these being criticized because of the lack of

proper signatures under the coinsurance law. He pointed out the resulting loss of time is tremendous.

For the first time in the history of the Iowa association a portion of the program was devoted to A. & H. insurance, with Armand Sommer, executive assistant vice-president Continental Casualty, telling the agents "How to Build an A. & H. Agency."

He said A. & H. with one exception is the largest producer in the casualty lines and is a good premium builder for agents. He pointed out that it is a personal line that leads to the heart of the buyer, that it creates new business, receives more publicity than any other line, and is the most stable from a renewal basis.

Panel Sessions Featured

A considerable portion of the convention this year was devoted to panel sessions. The second afternoon two panels took up different problems with the audience divided into two sections. At the completion of the first session the panels switched rooms and repeated their discussion for the remainder of the audience.

C. F. Rupprecht of Des Moines was moderator of a panel on "Time Element Covers." Panel members were Charles Brooks, Larry Matthews and Wayne Mackaman, all Des Moines agents and C.P.C.U.s. That panel spent considerable time on interpretation of gross earnings. It was pointed out that many agents sell only 50% coverage on business interruption while in some cases it should be sold up to 80%. Why more business interruption insurance is not sold and the reluctance of some buyers to give information on their business operations also were discussed.

The second panel was on liability coverage with Charles Smith of Des Moines as moderator. Panel members were Louis D. Burkhalter, Jr., Cedar Rapids local agent; Don O. Jones, manager of Wolverine at Des Moines, and Jack Wheaton, Iowa supervisor of New Amsterdam Casualty, all C.P.C.U.s. The panel discussed comprehensive personal liability coverage, farm liability policy and agent's errors and omission or malpractice coverage.

Under the comprehensive personal liability policy it was brought out that a person constructing a new dwelling and subletting the work is not covered. On the farm liability policy it was stated that farm help driving tractors are covered under some policies including the bureau policies but the situation is not standardized.

Another panel session the final day

with Philip E. Jester, state national director, as moderator, took up "What the Business Man Expects of His Local Agent." Serving on the panel were Paul Porter, comptroller for Davidson's at Des Moines; H. C. Roberts, secretary Sioux City board of education, and Tom E. Shearer, president of Parsons college at Fairfield, Iowa.

Mr. Roberts urged a reduction in rates for fire-resistant school buildings and a survey of the problem. He said the agent should acquaint himself with the insurance problems of school boards so that costs can be decreased.

Harry E. McClain, executive secretary of the Indiana association, gave the closing talk on "Cooperation, the Key to Your Future."

Rothschild New Head of Alabama Agents

(CONTINUED FROM PAGE 1)

secretary of the National association.

Mr. Phillips discussed the public relations task that faces the agent, referring particularly to the increasing cost of automobile liability insurance as the biggest problem. He said the problem exists because neither companies nor agents in the past have informed the public of reasons for rate changes. This situation has changed but there still remains a great job of education. Explain to clients, he advised, that the cost of a new automobile has increased 150%, the cost of repairing is up from 125% to 250%, but countrywide auto B.I. and P.D.L. rates have increased only an average of 35%. This is a story which has to be told, and the agent is in the best position to put it across, he concluded.

The problem the agent has in fitting coverages to the various types of clients were considered by Mr. Hawkins. Talking along these same lines, Mr. Doolittle said that the agent's job is more than one of writing policies and earning a commission. He must determine the uninsured exposures and find out how much it will cost to close the gaps.

Mr. Raine, who gave a resume of the gross earnings business interruption form, citing examples of how to arrive at the amount of insurance required and how a loss is adjusted, said that the agent who fails to present this coverage fails in his duty as an insurance adviser. He presented figures showing that in 1951 shortages in U. & O. insurance to value cost insureds 37% of their losses.

Mr. Nash urged the agents to take more advantage of the availability of the field man to help explain and sell difficult coverages. By close cooperation, the agent and field man can do much to guarantee satisfied assureds. Mr. Danford reviewed the structural setup of the National association, pointing out that the various committees are more active than ever and membership is close to 30,000.

The association presented a leather traveling bag in appreciation to Mr. Heinz and also a certified check to Milard R. McGruder, for many years secretary-treasurer of the association and who now is with a general agency.

There was a luncheon and fashion show for the ladies, sponsored jointly by Women's Insurance Organization of Birmingham and Employers of Alabama. Cocktail parties were sponsored by the general agents of Birmingham and by Birmingham Fire and Bankers F. & M. The meeting closed with a banquet and dance.

Maloney Warns of "Clubby" Rating Bureau Atmosphere

(CONTINUED FROM PAGE 1)

sponsibility.

To effectively accomplish its purpose of providing rating services to the companies that created it, a rating bureau must at all times render reasonable rating services to all of its members. The rating bureau is strictly a service organization. The company people recognize

this in the radical reorganization and separation of the trade association functions from the previous rating functions.

Members of controlling committees of the bureau should not be consciously influenced by whether their particular companies will or will not write a particular type of coverage or a particular kind of insurance, or whether they think other companies should write them. If it is a recognized form of insurance and it is reasonably possible to compute or ascertain a rate therefore, it should be sufficient that some of its members desire to write the business.



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150 Independents Rally at Columbus

(CONTINUED FROM PAGE 27)

a rate is excessive, encourage amendment of rating laws to provide a definition of standards. N. A. I. I. he said, favors such definitions similar to those in the California laws.

Mr. Jamieson also suggested that commissioners question every attempt to establish a uniform regulation by asking if its purpose goes beyond convenience, economy and a better understanding. If it is for rate making purposes, its necessity should be questioned for those states in which competition exists. Further, the commissioners should seek a thorough discussion of the philosophy of rate regulation to determine its effect on free enterprise and competition.

According to Mr. Jamieson, the companies can help stop this movement by better educating the public and presenting the danger to the commissioners. Companies have been too interested in grinding their own axes instead of concerning themselves with the common problem, he added.

Talks on Auto Accident Problem

Mr. Alexander reported on the progress that has been made in connection with the motor vehicle problem, citing in particular the improvements that have been made in the financial responsibility laws of many states. He outlined the unsatisfied judgment fund passed recently in New Jersey. Describing the responsibility laws as having been a tremendous force in eliminating high-way accidents in the few years they have been in operation, he said the assigned risk plans which supplement them and the resulting removal of ineligible drivers, is minimizing the problem of the uninsured motorists. He termed the assigned risk plans as the logical medium for the handling of substandard risks, saying that if continued, with rate penalties commensurate with the hazards, they should make unsatisfied judgment funds unnecessary.

Room for All Classes

Mr. Pryatel said there is room in the business for all classes of insurers. The various classes have their drawbacks and advantages, but taken together they serve to balance one another and make for progress. He cited as a most important attribute of the independent company its ability to act promptly. Once a conclusion is reached, the company can act without routing it to various committees and subcommittees.

Mr. Griffith considered procedures for determining excess losses for statistical reporting, and Mr. Maurer talked on the judgment factor in rate making.

The second day's program consisted of group discussions. The topic of automobile assigned risks plans was led by Fred Miller, vice-president of Hawkeye Security. New developments in uniform accounting were considered by the N. A. I. I. blanks and uniform accounting committee, headed by Herbert F. Walton, Allstate. Participants were Clyde Benoy, Motorists Mutual; J. H. Bellamy, Union Automobile Indemnity; A. L. Baumann, State Farm Mutual Auto; E. M. O'Callaghan, Utilities Ins. Co.; William Krasean, Wolverine; Raymond G. Smith, Farm Bureau Mutual Auto, and Mr. Jamieson.

Louisiana Agents Meet in Mississippi

(CONTINUED FROM PAGE 1)

by W. H. Forristall, assistant general manager of Factory Insurance Assn., and R. M. Taft, Atlanta, assistant field manager of F.I.A., on "F.I.A. in Louisiana." In attendance at this session were Commissioner Wade O. Martin, Jr., and A. P. White, chairman of the casualty and surety rating division, and William H. Kirchem, chairman of the fire rating division.

Must Combat Excessive Verdicts

(CONTINUED FROM PAGE 37)

been placed in Lloyds, the millions of dollars of loss reserves would have been subject to a uniform clause in Lloyds reinsurance policies, which permits a settlement of the claim by payment of the loss reserve to the direct-writing company. The direct-writing companies would then have had the burden of increasing reserves as the medical and hospital costs mounted."

Should Counteract Plaintiffs' Moves

Ralph Sedgwick, San Francisco attorney, another speaker, called on insurance men to counteract the influence of National Assn. of Claimants Compensation Attorneys, which is stirring up sentiment for ever higher personal injury verdicts throughout the country. Unless the relationships in the casualty business are brought back into proper range, there is danger that the agents and their companies will be priced out of the market. Increasing rates is only a partial answer. He said claims costs have gone up from an average of \$230 in 1941 to \$460 in 1950, and to a tentative average of \$700 in 1951. Inflation and excessive jury verdicts are to blame. He said that N.A.C.C.A. has been responsible for skyrocketing verdicts up and down the line. N.A.C.C.A. has the jump on the insurance business and the latter must meet the threat, he declared. He quoted from the report of Melvin M. Belli of San Francisco, head of N.A.C.C.A., that was made in February on the program for getting the comparative negligence doctrine established throughout the country. He said the insurance business should take a firm stand against this.

Attorney's Cut Blocks Settlements

Also the insurance business should take up the cudgels and seek to overcome the N.A.C.C.A. argument that verdicts have not kept up with the rise in the cost of living. The plain fact of the matter is that verdicts are excessive and that attorneys' fees of from 33-1/3 to 40% of the recovery are too high and are preventing many settlements from being effected.

The N.A.C.C.A. plan shows attorneys how to get more and larger fees and the insurance business has the power to neutralize this program, but is doing nothing about it.

At the opening of the program following the dinner, Chairman Charles V. Loskamp called attention to the wage agreement with Painters & Decorators Union at San Francisco, especially to the provision as to welfare fund. The

union financed this fund, he charged out of the hides of the life insurance salesmen because they eliminated the broker and his commissions. Mr. Loskamp urged the audience to enter a protest on this with life insurance companies.

Shank & Co. Moves

Shank & Co., independent adjusters of Wichita, have moved to a ground-floor location at 416 South Market. The parking facilities are a big asset here.

Tri-State Adjusters Elect

Tri-State Assn. of Insurance Adjusters at a meeting at Evansville, Ind., elected Arnold C. Schreier, American

States, president. The association membership is comprised of adjusters in Indiana, Kentucky and Illinois.

George R. Breen, Duncan & Swain, is the new vice-president; George M. Pope, State Farm Mutual Auto, secretary, and Arthur E. Murphy, Allstate, treasurer.

Cherokee Agents Feted

Agents of Cherokee Ins. Co. of Nashville from Tennessee, Alabama and Kentucky and their wives, numbering 250, were guests of home office officials at Belle Meade Country Club at an 11:30 a.m. "breakfast" and later the entire group attended the running of the Iroquois Steeplechase.

USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual or Difficult Problems—

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1952

Lloyd's London

R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

CHICAGO 4, ILL.

Financial statement as of December 31, 1951

ASSETS	
Bonds	\$ 3,339,403.71
Stocks	1,521,399.47
Cash in Banks and Offices	842,372.78
Agents' Balances (Not over 90 days)	1,119,192.42
F. H. A. Mortgages	45,169.29
Home Office	92,415.58
Accrued Interest and Miscellaneous Funds	82,303.69
Total Admitted Assets	\$11,042,256.94
RESERVES AND SURPLUS	
Claims Reserve	\$ 4,155,135.17
Unearned Premiums	3,735,533.89
Commissions	25,258.05
Tax Reserves	220,057.98
Miscellaneous Reserves	114,168.04
Voluntary Reserve	\$ 542,103.81
Capital	1,000,000.00
Surplus	1,250,000.00
Surplus to Policyholders	2,792,103.81
Total Liabilities	\$11,042,256.94

MULTIPLE LINE FACILITIES

Fire
Fidelity & Surety
Burglary
Plate Glass
Workmen's Compensation
Automobile
Misc. General Liability
Allied Lines



INSURANCE NEWS BY SECTIONS

PACIFIC COAST AND MOUNTAIN

Lecturers for Management Institute on Coast Listed

Lecturers for the institute for advanced agency management sponsored by California Assn. of Insurance Agents, to be held the week of June 22-27 at Stanford University, include John Bolton, Los Angeles attorney, "Legal Responsibilities of Insurance Producers;" Lucien Mather, assistant supervisor of Sales for Remington, Rand, "Office Systems and Work Simplification;" Herbert Kirschner, Kirschner & Co., "Agency Advertising;" Lorin Torrey, Ernst & Ernst, accountants, "Tax Problems of Proprietorship;" Waldo Marra, director of bank relations for Walston, Hoffman & Goodwin, investments, "Letter Writing;" W. B. McWhirter, San Francisco manager of I.B.M., "Salesmanship;" Robert E. Battles, president California Assn. of Insurance Agents, "How to be a Better Agent."

Richard E. Farrer, secretary of National Fire, who will serve as director of the institute, will teach classes on agency ownership, public relations, profit sharing plans, risk analysis and program planning and solicitors contracts.

Warns on Countersigning

Commissioner O'Connell of Idaho has warned agents licensed to write fire insurance that countersignature laws henceforth will be vigorously enforced.

The department has exercised tolerance in this respect for some time, Mr. O'Connell said. However, because countersignature violations are not decreasing, more forceful action is necessary, he said.

Mr. O'Connell emphasized that it is a violation for any agent to countersign a policy produced by a non-resident broker not licensed in the state and also for the agent to countersign policies issued by a company unless the agent has a valid certificate of authority for that company.

Three Spokane Speakers

Allender S. Brown, president of Washington Assn. of Insurance Agents; Jack S. Shipley of J. E. McGovern-Carroll Co., a member of the fire contact committee, and Jack H. Sumner, Cravens, Dargan & Co., spoke at a luncheon meeting of Spokane Insurance Assn. Topics were the Far West Agents Conference and the sessions of the field men and agents contact committees with the Washington advisory committee.

45 Attend Wash. Regional

The southwestern regional meeting of Washington Assn. of Insurance Agents at Centralia attracted 45 agents from the area.

Reports were made by the association officers, headed by Allender S. Brown, Spokane, president. Robert Monfort, president of the Lewis County Association, introduced the officers.

Technical Courses on Coast

Training in the technical aspects of underwriting will be included in new summer courses offered jointly at San Francisco by Fire Underwriters Assn. of the Pacific and the business administration extension division of University of California. Classes will start the first week in June.

Courses offered and their instructors are: Tariff rules, John H. Winters, technical assistant Pacific Fire Rating Bureau; provisional reporting forms, Robert C. Goethe, manager General Cover Department; basic office procedure and practice, John Henry Martin, manager

Standard Forms Bureau; fire insurance underwriting, Russell B. Spencer, Spencer Insurance Service; practical speech making, Mrs. Guy S. Farrington; business English and business letters, Mrs. Elsie B. Roemer.

Advance Bridgford at Denver

Edwin F. Bridgford has been promoted to assistant manager at Denver of North America. He spent three years in the navy during the war and returned to North America on his discharge as special agent in the mountain field.

Work on Legislative Aims

Following conferences with representatives of Washington Assn. of Insurance Agents, Commissioner O'Connell of Idaho is preparing a legislative program for consideration by the 1953 legislature. Mr. O'Connell has asked the Idaho attorney general for an opinion as to his authority for requiring finance companies and automobile agencies to stamp material damage policies indicating they do not comply with the Idaho financial responsibility law.

The Idaho association's executive committee has called upon members to submit evidence of solicitation of business by the state insurance fund.

SOUTH

Gambrell Takes Over as Head of Dallas Club

Eric C. Gambrell of the Seay-Hall agency was elected president of Insurance Club of Dallas to succeed Travis T. Wallace, who served during the club's first year of operation. Mr. Wallace is president of Great American Reserve.

A cocktail party for the club's membership of 500 insurance people was given last week, honoring Mr. Wallace. The party also celebrated Mr. Wallace's 30th year in the life and A. & H. insurance business. Mr. Gambrell, as vice-president, presented Mr. Wallace a gold plaque.

Other new officers are: Barney Shields, Great National Life, vice-president; J. F. Miazza, General Adjustment Bureau, treasurer; J. Frank Smith, Southland Life, secretary.

Cut Auto P.H.D. Rates in N. C.

RALEIGH — Commissioner Cheek has approved filings of North Carolina Fire Insurance Rating Bureau under which auto physical damage premiums would be reduced by \$1,491,225 annually.

The decreases are approximately 25% for fire, theft and comprehensive coverages on private passenger cars, and in fire rates on commercial autos used in local hauling. The sole increase is a 25% hike in collision rates on truck-type tractors.

Regional at Bowling Green

Kentucky Assn. of Insurance Agents had an attendance of 125, including field men, at a district meeting at Bowling Green, Ky., with the Bowling Green and Warren county agents as hosts.

S. C. Cooke, president of the Bowling Green association, gave a welcome; C. S. Gardner, president of the state association, discussed state association matters, and Sheridan C. Barnes, Elizabethtown, state national director, talked on National association activities.

Commissioner Southall spoke on high-

way safety and urged cooperation between insurance men and local and state traffic enforcement agencies. He also urged a system of driver education for young and old, and recommended that the insurance people aid in promoting all facilities available in every community to promote road safety and accident reduction. Charles B. Jones, executive secretary governor's highway safety commission, told what that commission is endeavoring to do.

Robert W. Wilson, Lexington, manager commercial service department of Kentucky Utilities Co., gave an inspirational talk on "What Is America Worth."

The entire afternoon was given over to a forum in which fire insurance was discussed by George G. Gibson, Louisville, state agent London & Lancashire; inland marine by J. P. Thomas, North America, Cincinnati; casualty, by E. C. Schoumacher, Maryland Casualty, Cincinnati, and loss adjustments by Ben Horton, Horton & Co., Louisville. Julius V. Bowman, state agent Fire Association, was moderator of the forum.

Choose Putnam President

Virginia-District of Columbia Assn. of Mutual Insurance Agents at a meeting at Washington elected Robert W. Putnam, Roanoke, president.

Elected as vice-presidents were Forest S. Towe, Charlottesville; E. L. Creek, Jr., Norfolk, and G. A. Burke, Alexandria. C. Ernest Williams, Richmond, is secretary.

EAST

D. C. Agents Elect William d'Espard

WASHINGTON — District of Columbia Assn. of Insurance Agents, at its last monthly luncheon meeting of the season, May 9, elected as president William A. d'Espard; first vice-president, George E. Bond; second vice-president, A. L. Jagoe, Jr.; secretary, Herbert M. Pasewalk; treasurer, Robert V. Oxenham; state national director, Victor O. Schinnerer.

The trustees are: J. Douglass Wallop, Jr., Samuel S. Kaufman, Huntington T. Block, Charles R. Barker, Jr., Louis P. Crowley, and Edward J. Bachschmid.

In farewell remarks, Mr. Schinnerer thanked members for their cooperation and introduced Mr. d'Espard, who outlined a program for the coming year, including a fight to retain the independent status of the insurance department here under the new D.C. government reorganization plan. He presented the retiring president a handsome desk set.

Mr. d'Espard announced the annual outing of the association will be June 6 at the Kenwood Country Club.

Treasurer George Denton reported association funds at an all-time high. Mr. Bond, as chairman of the education committee, named graduates of the association's instruction courses to whom he presented certificates.

Past President V. Manning Hoffman, as chairman of the nominating committee, presented the slate.

E. M. Hyatt Is Slated

Eugene M. Hyatt, Middlesex Mutual, as president led the list of nominees presented at a meeting at Boston of New England 1752 Club. Mr. Hyatt is scheduled to be elected at the annual meeting in June as successor to Edward W. Weeks, Fitchburg Mutual.

Other nominations are Herbert Woods, Lumbermen's Mutual Casualty, vice-president; Robert G. Pyne, Shelby Mutual, secretary, and Richard G. Hartigan, Worcester Mutual, treasurer.

MIDDLE WEST

To Hold Ohio Federation Annual at Columbus May 19

The annual meeting of Insurance Federation of Ohio will be held at Columbus May 19. The luncheon is open to all those in any branch of insurance.

E. H. O'Connor, managing director of Insurance Economics Society, will speak on "Time for Action."

J. C. Hiestand, Ohio Farmers, Leroy, is new president; H. P. Young, Lewis E. McBride and Ben F. Hadley, all of Columbus, and W. G. Alpaugh, Cincinnati, vice-presidents; E. C. Anstaett, Columbus, treasurer.

To develop a closer relationship between organizations, the federation has invited as guests the presidents of all statewide insurance associations in Ohio and the three Ohioans who are serving as presidents of national associations. Those who have accepted so far are Harold K. Brookhart, Ohio Assn. of Mutual Insurance Agents; John F. Martin, Underwriters Service Assn.; Clifford W. Swanson, Ohio Assn. of Casualty & Surety Managers; George W. Steinman, Ohio Assn. of Legal Reserve Life Insurance Companies; K. G. Rhode, Ohio Assn. of Mutual Insurance Companies; William A. Knight, Ohio Assn. of A. & H. Underwriters; J. F. Van Vechten, National Assn. of Insurance Agents.

Superintendent Robinson, August Prytel, deputy superintendent, and Robert E. Younger, warden of the Ohio department, will also be guests.

Mich. Group Plan Results

The group insurance plan of Michigan Assn. of Insurance Agents, placed in force Sept. 1, 1950, had paid out claims of \$192,186 to Feb. 1 of this year. It is administered through C. M. Verbiest & Associates, Detroit.

Premiums were \$189,052, making the loss ratio 101.7%. Death frequency in the early months of the contract was very high, with death claims totaling \$113,000, a loss ratio of 165.6% for that classification. Experience is reported to have improved somewhat since Feb. 1. In the A. & H. category premiums were \$48,673 and claims \$25,203, loss ratio 51.8.

Slightly more than 60% of the membership now participates, and an increased enrollment is being sought.

Missouri Officials on Tour

Top officers of Missouri Assn. of Insurance Agents are to visit a number of cities in various parts of the state this week to stimulate interest in local boards and the state organization. In the touring party are James Corrigan of Poplar Bluff, president; Joe Jackson, Jr., Marysville, vice-president, and Bennett G. Gregory, St. Louis, executive secretary.

They attended the casualty and surety sales congress at Kansas City Wednesday. Thursday they are scheduled for a luncheon meeting at St. Joseph and a dinner meeting at Marysville. Friday also is to have two gatherings, a luncheon at Slater and a dinner at Marshall.

C. H. Parsons Is Honored

Charles H. Parsons, chairman of the board of Brooks & Stafford Co. agency of Cleveland, was honored last week by officials of Queen, the occasion being the 65th anniversary of Mr. Parsons' continuous representation of Queen. Mr. Parsons is recognized as the dean of the insurance business in Cleveland, and is still active. He was presented a handsome inscribed clock-barometer set by R. C. Walker, regional manager of Royal-Liverpool group.

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Loyalty Group

I N S U R A N C E

FINANCIAL STATEMENTS DECEMBER 31, 1951

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,275,000.	\$108,470,990.	\$61,257,086.	\$47,213,904.
Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small>	1,000,000.	10,711,510.	6,979,138.	3,732,372.
National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small>	1,000,000.	10,476,694.	6,617,586.	3,859,108.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	28,159,650.	17,868,349.	10,291,301.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	36,291,676.	27,904,445.	8,387,231.
Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small>	2,000,000.	42,686,336.	33,078,793.	9,607,543.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	433,385.	6,568.	426,817.

Pittsburgh Underwriters - Keystone Underwriters

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

HOME OFFICE
10 Park Place
Newark 1, New Jersey

CAPITAL STOCK
Standard
protection
COMPANY INSURANCE

CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

F A M O U S A M E R I C A N H O M E S



The "Cornwallis" House...

VETERAN OF THREE WARS



WHEN Lord Cornwallis came to Wilmington in April 1781, as his headquarters he requisitioned part of the finest dwelling in town, the home of Judge Joshua Grainger Wright. Although he stayed only two weeks, this fine old North Carolina mansion has ever since been known as the Cornwallis House. For many years initials scratched on a windowpane in the drawing room were reminders of the brief romance between a junior officer on Cornwallis' staff and one of Judge Wright's lovely daughters. By an amazing coincidence, a century later when a descendant of the Wright family was returning to Wilmington from a trip abroad, she met on shipboard a young Englishman who confided that he was making a pilgrimage to the Cornwallis House to see the initials which one of his ancestors had engraved on a window with his heavy diamond ring.



The house was built in 1771 by the wealthy John Burgwin, treasurer of the colony. When he went to England at the start of the Revolution he leased the house to Judge Wright who later purchased it.

The foundations were built on the site of the old town jail. In the dungeon beneath the house were confined many rebellious colonists who disobeyed the edicts issued by Cornwallis. According to local lore, leading from the dungeon to the Cape Fear River was a tunnel through which many persons escaped.

This gracious home of Southern aristocrats was used by armed forces in three wars: During the Revolution it was occupied by the British; in the War Between the States it quartered Federal officers after Wilmington had been captured by Union armies; and in World War II it served as an officers' club.

The Cornwallis House is now the headquarters of the North Carolina Society of the Colonial Dames of America. Authentically restored, it is open to the public through the society's generosity.

The Home, through its agents and brokers, is America's leading insurance protector of American homes and the homes of American industry.

★ THE HOME ★ *Insurance Company*

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE • AUTOMOBILE • MARINE

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